ASX Release

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ASX Limited
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HIGH PRIORITY TARGETS IDENTIFIED AT GASCOYNE LITHIUM PROJECT

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce that the recently completed stream sediment survey at the Gascoyne Lithium Project (**Figures 1 & 2**) has identified several LCT (lithium-caesium-tantalum) pegmatite prospects warranting detailed follow-up exploration.

Figure 1: Project location map

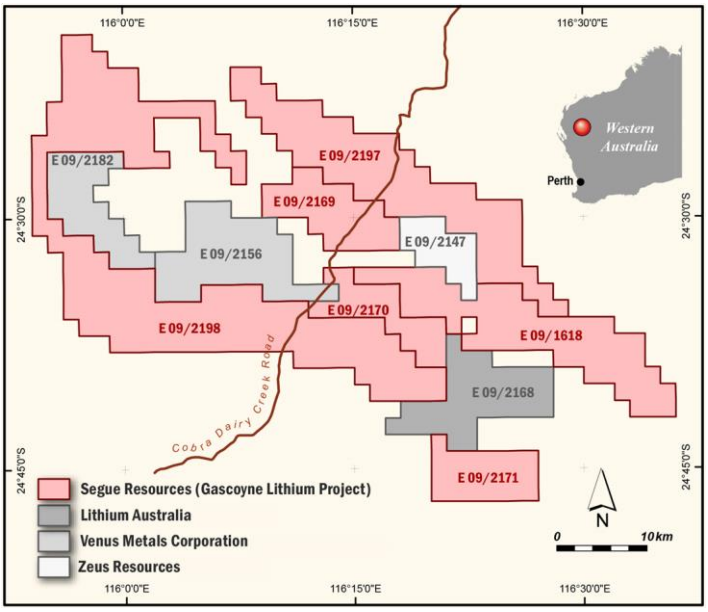

Figure 2: Gascoyne Lithium Project tenement map

In November 2016, Segue completed a stream sediment survey over the 1,100 km^2 Gascoyne Lithium Project to identify areas prospective for LCT pegmatites. Previous work undertaken by Segue has successfully identified highly fertile and fractionated granites (Thirty Three Supersuite) which have the potential to produce LCT pegmatites.

The Project area has a well-developed drainage system and the stream sediment programme was designed to identify lithological packages with anomalous LCT pegmatite pathfinder elements (Li, Cs, Ta, Nb, Be, Rb) which may indicate the erosion of an outcropping or sub-cropping mineralised LCT pegmatite. The survey consisted of ~1,300 samples collected at a density of 1-3 samples per square kilometre. The results have been reviewed by Segue's consulting geochemist, Dr Nigel Brand.

Segue has identified five prospects with LCT pathfinder element anomalism in the correct geological setting proximal to fertile granite intrusions of the Thirty Three Supersuite (**Figure 3**).

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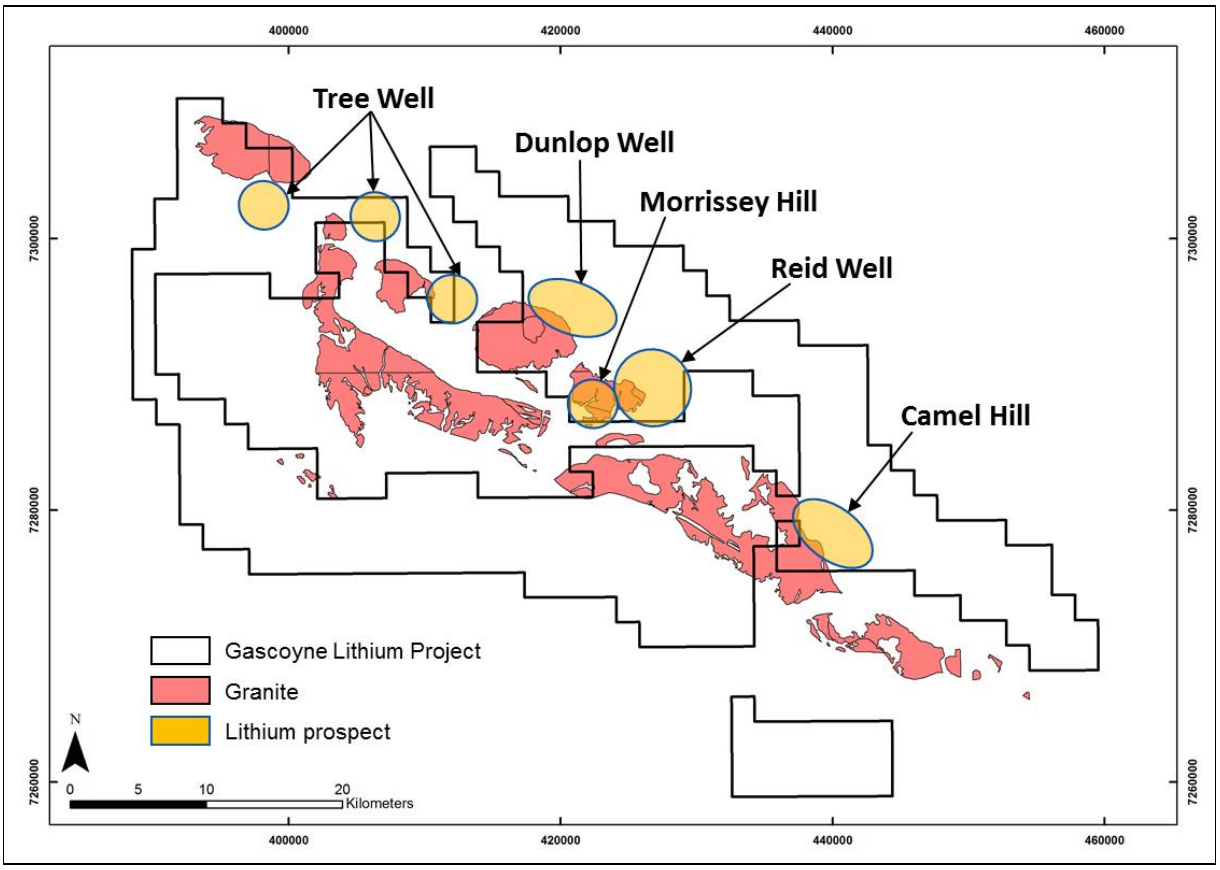

Figure 3: Simplified geology with lithium prospects

A high priority prospect has been identified at Reid Well where a 10 square kilometre, multipoint anomaly has been defined in sediments within 3 kilometres of a fertile and fractionated granite of the Thirty Three Supersuite. This anomaly shows zonation from a caesium outer halo to an inner core of Li-Cs-Ta + Nb, Be and Rb (**Figure 4**). The geological setting of this anomaly within 3 kilometres of the source intrusion is highly significant and consistent with major lithium deposits, such as Pilgangoora in Western Australia and Tanco, Mavis Lake and Raleigh Lake in Canada.

In addition to Reid Well, four other prospects have been identified at Tree Well, Dunlop Well, Morrissey Hill and Camel Hill, where Li, Cs +/- Ta, Nb and Be anomalies were identified within sediments in close proximity to fertile granite intrusions.

Commenting on the soil sampling results, Segue's Managing Director, Mr Steven Michael, said:

The Gascoyne Lithium Project sits within a previously unidentified lithium province of Western Australia. Within six months of acquiring the Project, Segue has confirmed a fertile and fractionated granite suite (Thirty Three Supersuite) and has now identified several areas of lithium anomalism, including the Reid Well prospect which has several anomalies over 10km^2.

Segue will undertake a gridded soil sampling and rock chipping programme at each of the prospect areas in 1Q 2017 with the aim of identifying drill targets (mineralised pegmatites) for initial drill testing once the exploration licences are granted. The Camel Hill prospect lies within granted exploration licence E09/1618, where Segue is earning up to a 50% interest through the Mortimer Hills JV.

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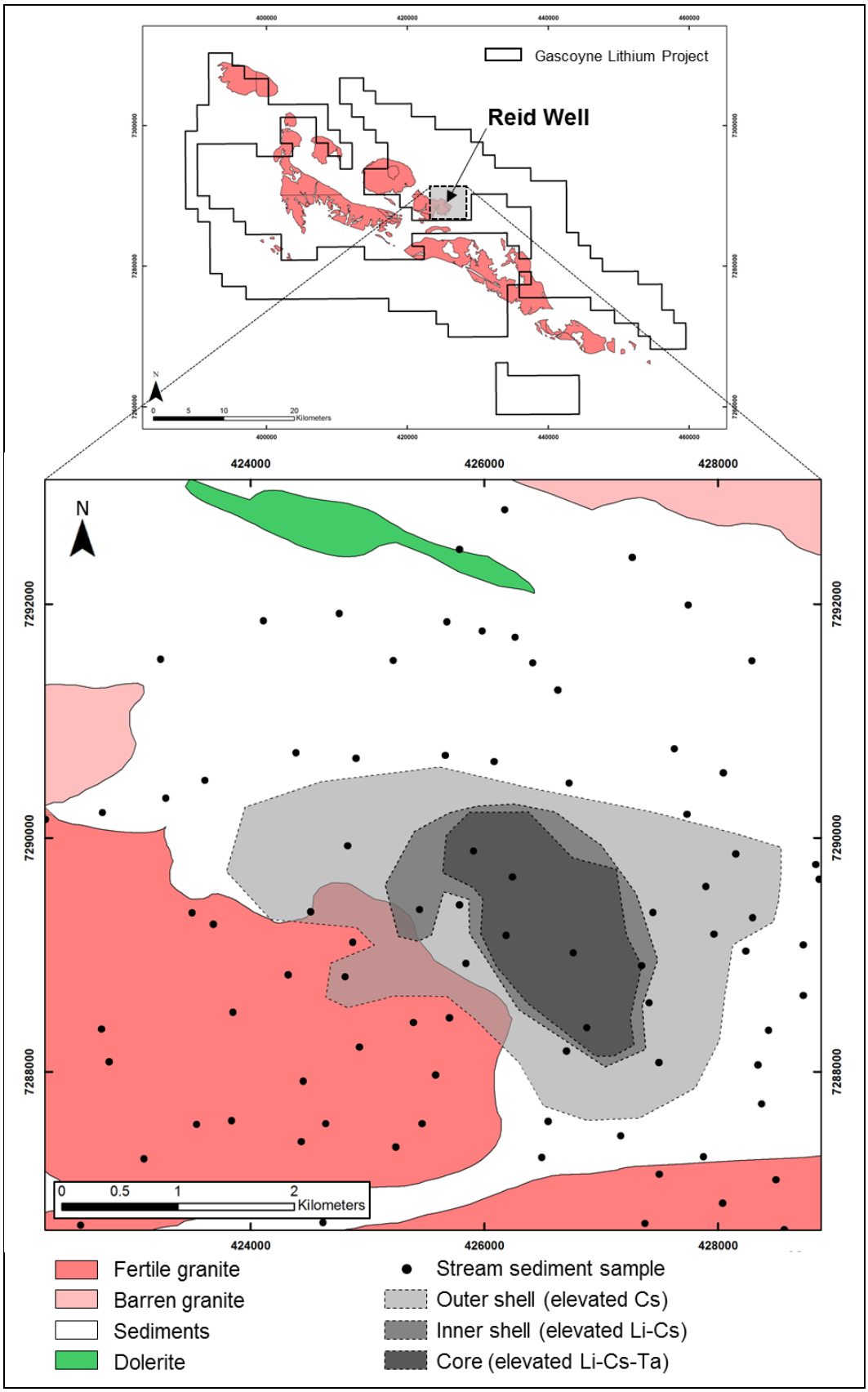

Figure 4: Reid Well LCT element zonation patterns

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Table 1: Significant stream sediment sample assays from the Reid Well prospect

SampleID	Prospect	Northing	Easting	Be (ppm)	Cs (ppm)	Li (ppm)	Nb (ppm)	Rb (ppm)	Ta (ppm)
SEG01080	Reid Well	7289369	424512	1.5	8.0	19.4	19.0	124.5	3.1
SEG01081	Reid Well	7289931	424829	1.6	7.6	18.7	17.9	77.1	3.6
SEG01083	Reid Well	7288811	424809	2.1	12.8	27.0	20.2	153.5	3.6
SEG01087	Reid Well	7288927	425844	1.4	9.3	21.7	16.0	132.0	3.2
SEG01088	Reid Well	7289387	425445	2.9	11.7	23.1	34.3	76.9	23.5
SEG01089	Reid Well	7289427	425787	2.0	11.1	25.6	15.4	95.9	4.1
SEG01090	Reid Well	7289888	425906	6.1	50.5	96.5	66.0	189.0	63.1
SEG01091	Reid Well	7289666	426239	2.0	28.8	31.8	27.2	74.4	26.3
SEG01092	Reid Well	7289168	426185	1.9	11.8	32.1	28.0	69.3	20.6
SEG01093	Reid Well	7289015	426762	17.7	24.7	228.0	122.5	176.0	102.5
SEG01094	Reid Well	7288374	426876	3.7	12.9	49.2	47.6	76.8	26.2
SEG01095	Reid Well	7288178	426702	1.8	10.2	22.3	16.4	112.5	2.2
SEG01096	Reid Well	7288080	427493	2.0	6.3	23.1	19.5	94.7	5.7
SEG01097	Reid Well	7288589	427409	1.7	6.4	18.7	17.1	100.5	2.3
SEG01098	Reid Well	7288907	427346	1.8	6.2	17.1	16.3	66.8	1.7
SEG01099	Reid Well	7289363	427442	2.1	12.6	29.3	15.5	76.9	4.4
SEG01101	Reid Well	7289176	427964	1.7	8.8	26.7	15.6	87.5	1.9
SEG01103	Reid Well	7289317	428297	1.8	12.7	29.1	13.9	89.9	1.6
SEG01104	Reid Well	7289864	428150	2.1	15.6	20.2	16.7	72.1	5.7

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

Segue Resources Limited
Mr Steven Michael
Managing Director
E: info@segueresources.com

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Dean Tuck who is a Member of the Australian Institute of Geoscientists. Mr Tuck 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 Tuck 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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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.*	• Stream sediment samples were taken at a density of 1-3 per square kilometre. • Samples were sieved to -177 micron (-80 mesh). • ~150-200 grams were collected from each sample location and put in to paper geochemical bags. • Standards were inserted on a 1:50 ratio.
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).*	• No drilling involved.

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Criteria	JORC Code explanation	Commentary
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.*	• Recovery not relevant.
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.*	• Stream sediment samples were not geologically logged.
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.*	• No subsampling undertaken. • 150-200 grams is considered representative for ~-177 micron stream sediment samples.

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Criteria	JORC Code explanation	Commentary
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.*	• The sample preparation and assay method used in considered to be fit for purpose. • 47 elements were determined by a four-acid digest with an ICP-MS finish using lab code ME-MS61L. • All samples were assayed by ALS laboratories in Perth. • Internal laboratory checks indicate a high level of accuracy and precision.

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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.*	• Not at this stage of the project development. • No twinned holes. • Primary data is stored in pdf and csv files as received from the laboratory and imported in to a database for storage. • Sample locations and coordinates are recorded in the field on hand held GPS and written in field books. • The company has not adjusted any assay data.
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 sample coordinates were by hand held GPS with a +/- 5m accuracy. • Coordinates are in GDA94 Zone 50. • This is considered adequate for stream sediment samples.
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.*	• Stream sediment samples were collected at a density of 1-3 samples per square kilometre. • This data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure. • No sample composting has been applied.

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Criteria	JORC Code explanation	Commentary
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.*	• Stream sediment samples are designed to cover all potential structural orientations. • For this level of exploration any possible bias from possible structures is unknown.
Sample security	• *The measures taken to ensure sample security.*	• The company uses standard industry practices when collecting, transporting and storing samples for analysis.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• The sampling system has not been specifically audited but is similar to common practice methods in the Australian exploration industry.

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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.*	• The sampling reported herein is within tenements E09/1618, E09/2169, E09/2170, E09/2171, E09/2197, E09/2198. • E09/2169, E09/2170, E09/2171, E09/2197 and E09/2198 are held by 100% owned subsidiaries of Segue Resources Limited. • E09/1618 is held by Zeus Resources Ltd and is subject to a Farm in Joint Venture. • At the time of this Statement, the exploration license is in good standing. To the best of the Company's knowledge, other than industry standard permits to operate there are no impediments to Segue's operations within the tenement.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• This report refers to data generated by Segue Resources Limited. • Geological mapping used in this report is from GSWA mapping activities.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Pegmatites that are prospective for lithium, caesium and tantalum (LCT).

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Criteria	JORC Code explanation	Commentary

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.*
		• Refer to Table 1 of this announcement.

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 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.*	• Not applicable.
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').*	• Not applicable.

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<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Diagrams</td><td>• 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.</td><td>• Refer to maps in this report.</td></tr>
<tr><td>Balanced reporting</td><td>• 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.</td><td>• Anomalous samples have been reported in tables of this report.
• Statistical information of minimum, maximum and mean of the elements reported have been included for completeness:
<table>
<tr><th></th><th>Be (ppm)</th><th>Cs (ppm)</th><th>Li (ppm)</th><th>Nb (ppm)</th><th>Rb (ppm)</th><th>Ta (ppm)</th></tr>
<tr><td>Min</td><td>0.70</td><td>0.65</td><td>4.50</td><td>5.21</td><td>19.50</td><td>0.56</td></tr>
<tr><td>Mean</td><td>1.39</td><td>2.57</td><td>11.99</td><td>18.78</td><td>70.25</td><td>2.35</td></tr>
<tr><td>Median</td><td>1.32</td><td>2.12</td><td>11.00</td><td>16.65</td><td>67.60</td><td>1.88</td></tr>
<tr><td>Max</td><td>17.65</td><td>50.50</td><td>228.00</td><td>122.50</td><td>189.00</td><td>102.50</td></tr>
</table></td></tr>
<tr><td>Other substantive exploration data</td><td>• 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.</td><td>• All meaningful and material exploration data has been reported.</td></tr>
<tr><td>Further work</td><td>• 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.</td><td>• The next work programs will consist close spaced (50x50m or 100x100m) soil sampling over the anomalous prospects and further litho-geochemical analysis of rock chips from outcrops.</td></tr>
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