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

EXPLORATION UPDATE – BARLEE GOLD PROJECT

Segue Resources Limited (**Segue** or the **Company**) is pleased to provide an update on the soil sampling programme completed at the Barlee Gold Project in the Southern Cross Region of Western Australia (**Figure 1**). Soil sampling has been completed on a 400m x 100m grid over the 14 gold targets identified through BLEG gold and pathfinder element sampling (**Figure 2**) (see announcement on 29 March 2017).



Figure 1: Project location map

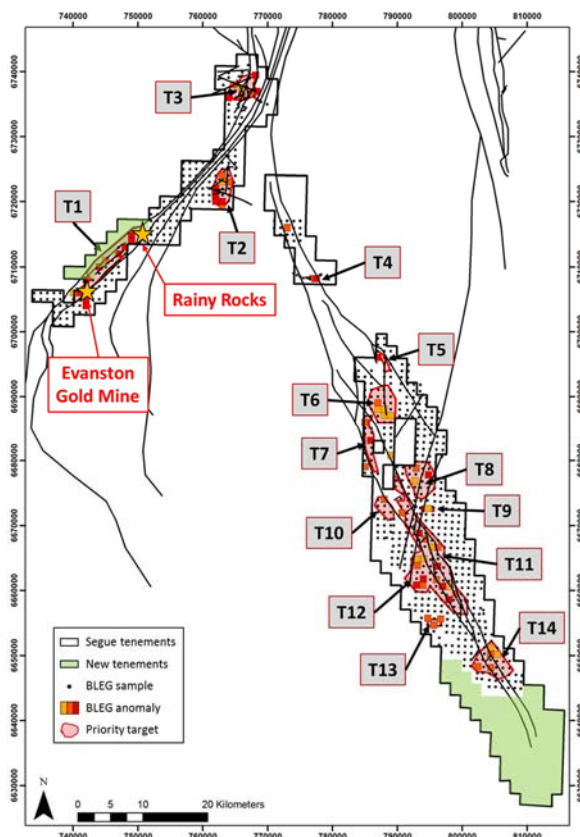


Figure 2: Project tenement map and exploration target areas

Assay results from soil sampling across the southern portion of the Project have delineated gold anomalies at T8, T10, T11, T12 and T14, which are in addition to the previously announced gold anomalies at T1, T2, T6 and T7 (see announcements on 4 May 2017 and 20 May 2017) (**Figure 3**).

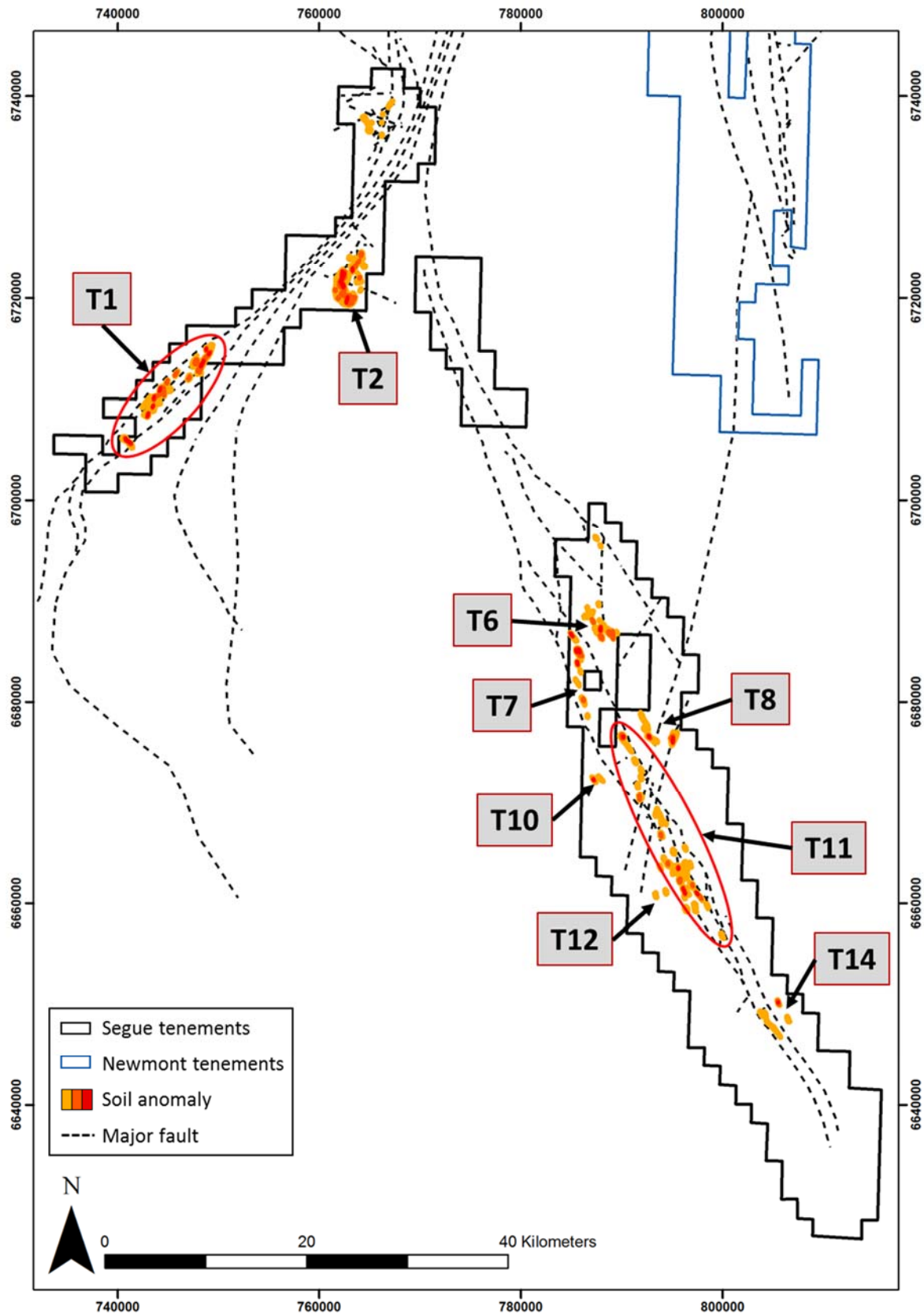


Figure 3: Gold results from the T1 – T14 target areas, highlighting significant anomalies and major structures

The T8 target area is located in the Yerilgee Greenstone belt adjacent to a late-stage granitic intrusion and a significant NE trending structure associated with known gold mineralisation on the Illara Greenstone belt. The area returned two anomalous gold prospects – T8a and T8b (**Figure 4**). T8a is a 3.6km x 0.8km gold anomaly associated with Bi, Te, Tl and W pathfinder elements and enriched Cs, which can indicate sericite alteration. Anomaly T8b is a 1.7km x 0.8km gold anomaly associated with As, Sb, Mo and Tl pathfinder elements and enriched in K and Rb.

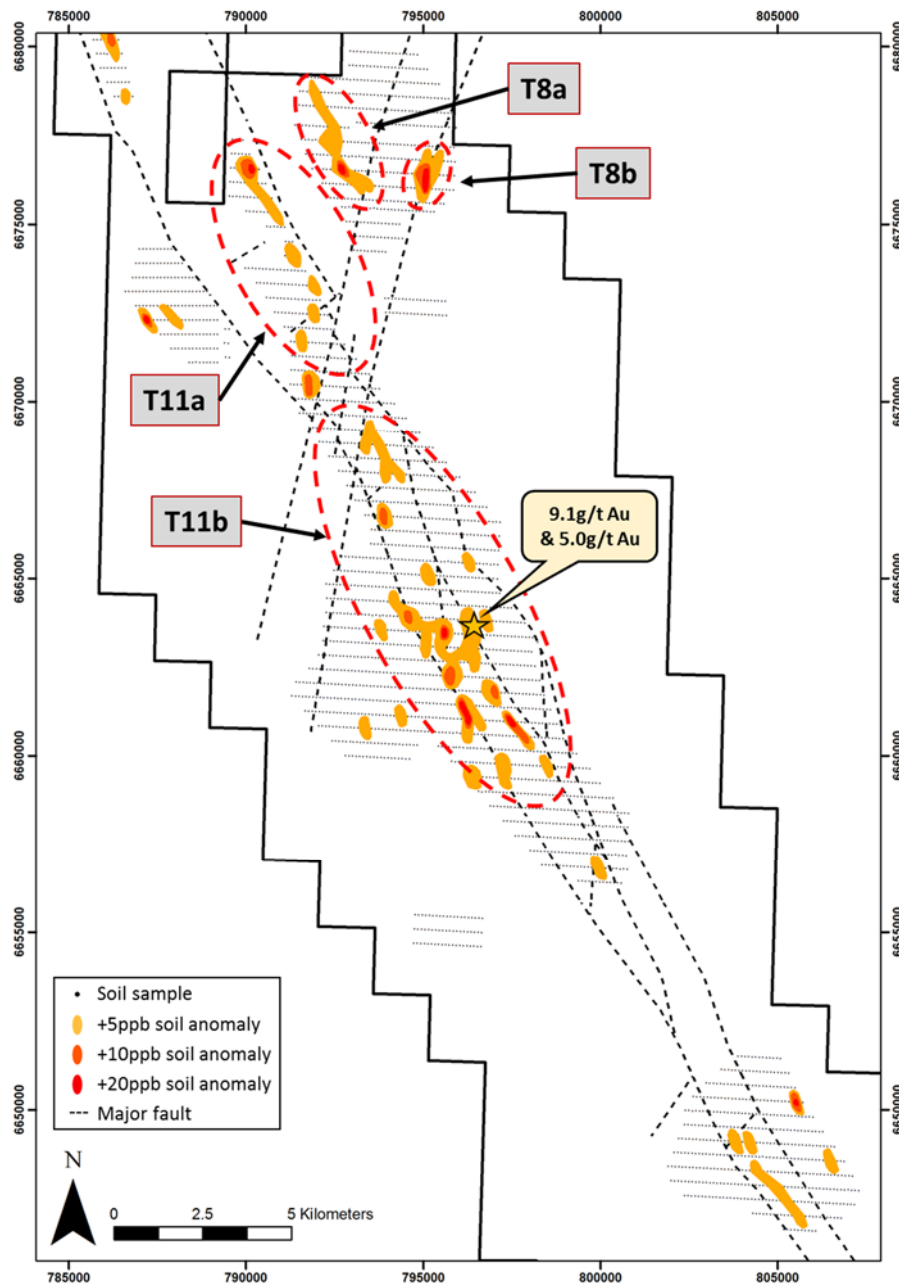


Figure 4: Gold anomalies at T8 and T11

The T11 target area sits near the centre of the Yerilgee Greenstone belt along a regionally significant shear zone and several late stage granitic intrusions (**Figure 4**). T11a is a 7.0km x 0.5km gold anomaly associated with As, Bi and Tl pathfinder elements. T11b is an 11.2km x 1.3km gold anomaly with associated As, Sb, Bi, Mo, Te, Tl and W pathfinder elements along with enriched Cs, K, Rb.

During soil sampling, a shallow historic working was discovered and rock chipped with assays returning up to 9.1 g/t Au from a shear hosted quartz vein (**Figure 5**).



Figure 5: Shallow shaft where rock chips were collected at T11, photo looking north

Maiden drill programme – July 2017

Approvals have been received for Segue to commence its maiden drill programme at the T1 and T2 prospects (**Figure 6**). The 4,000m aircore drilling programme will commence in mid-July 2017 and is expected to be completed within three weeks. Assay results are expected in late August.

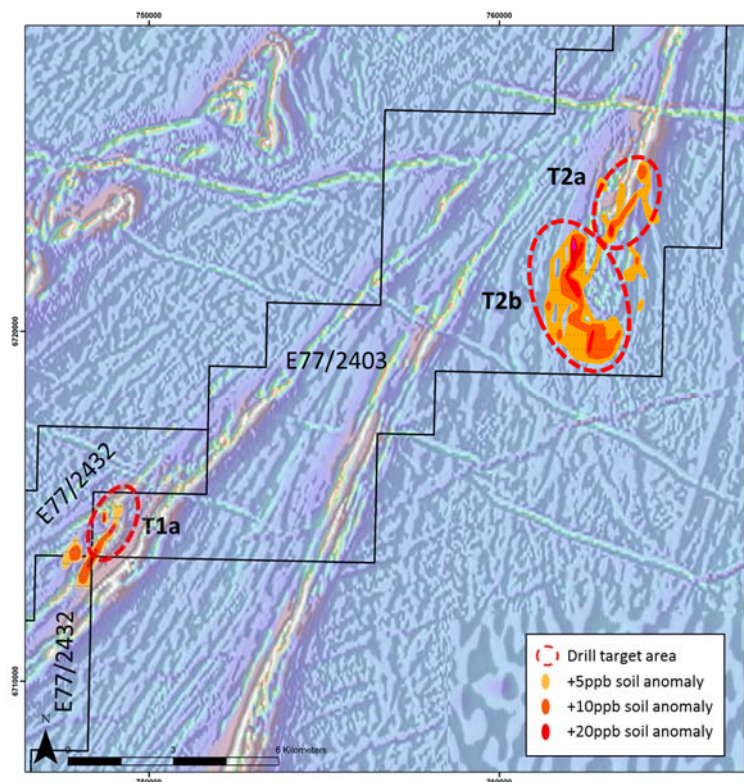


Figure 6: Proposed drilling locations at T1a, T2a and T2b over regional magnetics

Segue is planning to drill an additional 6,000m of aircore drilling at the T6, T8 and T11 prospects once all necessary approvals are granted. The drilling programme is expected to take place in September 2017.

Appendix A – Rock Chip Assays (GDA MGA z51)

| Sample ID | Easting (m) | Northing (m) | Gold (g/t Au) | Comment |
|-----------|-------------|--------------|---------------|-------------------|
| BARSW001 | 218024 | 6663963 | 0.45 | Sheared volcanics |
| BARSW002 | 218024 | 6663963 | 1.35 | Sheared volcanics |
| BARSW003 | 218024 | 6663963 | 9.08 | Sheared volcanics |
| BARSW004 | 218024 | 6663963 | 0.13 | Sheared volcanics |
| GAS00443 | 218024 | 6663963 | 5.03 | Quartz Vein |
| GAS00430 | 218001 | 6663958 | 0.01 | Quartz Vein |

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.

JORC Code, 2012 Edition – Table 1 report template

Section 1 Sampling Techniques and Data

| 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. | <ul style="list-style-type: none"> Soils: Soil samples have been collected on a grid spacing of 400mx100m, some sample locations have been collected off the grid to avoid sampling on outcrop or in active stream beds. Rock Chips: Random rock chips have been collected as a first pass assessment of historical prospector workings which were discovered whilst soil sampling. The samples have an irregular spacing reflecting the reconnaissance nature of the assessment. |
| | <ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. | <ul style="list-style-type: none"> Soils: 50-100g of -80 mesh (-177 micron) material was collected in the field from 1 – 2 pits roughly 50x50cm in dimension dug down to 20cm. A field duplicate was taken on a 1:50 ratio which consisted of a second sample from the same location but from different pits. An OREAS standard was inserted on a 1:50 ratio to ensure that the laboratory equipment was performing within acceptable limits. Rock Chips: Where possible, 3-7kg samples were collected in the field to properly represent and characterize the material targeted. No field duplicates were collected, nor did the company insert standards for the rock chips. |

| Criteria | JORC Code explanation | Commentary |
|----------------------------|--|--|
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Sample weights have been recorded and reported by the lab. Soils: 50-100g of -80 mesh material was collected in the field and then sent to ALS laboratories for gold and multi-element analysis. For multi-element analysis a 4 acid digest of a 0.25g aliquot followed by ICP-MS for 48 elements (ALS Laboratories technique ME-MS61) For gold analysis an aqua regia digest of a 25g aliquot followed by ICP-MS for a 0.1ppb detection limit for Au (ALS Laboratories technique Au-ST43). Rock Chips: 3-7kg of material was collected from each sample location, this material was then crushed to >70% passing -6mm, split and then pulverised to >85% passing 75 micron. For gold analysis a 50 g aliquot was fire assayed and analyzed by ICP-AES (ALS technique Au-ICP22), samples over 10 g/t Au were re-fire assayed and analyses by AAS (ALS technique Au-AA26) For multi-element analysis a 4 acid digest of a 0.25g aliquot followed by ICP-MS for 48 elements (ALS Laboratories technique ME-MS61) |
| <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"> Not applicable, no drilling has been carried out. |

| Criteria | JORC Code explanation | Commentary |
|---|---|--|
| <i>Drill sample recovery</i> | <ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. | <ul style="list-style-type: none"> Not applicable, no drilling has been carried out. |
| | <ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. | <ul style="list-style-type: none"> Not applicable, no drilling has been carried out. |
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Not applicable, no drilling has been carried out. |
| <i>Logging</i> | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Basic description of hand specimen and sample site recorded in the field. |
| | <ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. | <ul style="list-style-type: none"> All field descriptions are qualitative in nature. |
| | <ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. | <ul style="list-style-type: none"> Not applicable, no drilling has been carried out. |
| <i>Sub-sampling techniques and sample preparation</i> | <ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. | <ul style="list-style-type: none"> No core reported. |
| | <ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. | <ul style="list-style-type: none"> All samples were dry and presented to the laboratory “as is” |
| | <ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. | <ul style="list-style-type: none"> All samples were sent to ALS Laboratories in Perth for sample preparation and analysis using standard codes and practices. |
| | <ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. | <ul style="list-style-type: none"> No subsampling undertaken |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> Soils: Field duplicates were taken on a 1:50 ratio which consisted of a second sample from the same location but from different pits. Rock Chips: No field duplicates were taken. |
| | <ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. | <ul style="list-style-type: none"> Soils: 50-100g of -80 mesh (-177 micron) material is considered representative for the material sampled. Rock Chips: 3-7kg of sample is considered representative for the material 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. | <ul style="list-style-type: none"> All samples: were submitted to ALS laboratories in Perth Soils: A 0.25 gram aliquot was digested in a four acid solution for a “near” total digestion and analysed by ICP-MS. For gold analyses a 25 gram aliquot was digested in an aqua regia solution for a partial digest of gold and analysed by ICP-MS Rock Chips: 3-7kg of material was collected from each sample location, this material was then crushed to >70% passing -6mm, split and then pulverised to >85% passing 75 micron. For gold analysis a 50 g aliquot was fire assayed and analyzed by ICP-AES (ALS technique Au-ICP22), samples over 10 g/t Au were re-fire assayed and analyses by AAS (ALS technique Au-AA26). Fire assay is considered a total digest. For multi-element analysis a 4 acid digest of a 0.25g aliquot followed by ICP-MS for 48 elements (ALS Laboratories) |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| | | technique ME-MS61). This technique is considered “near-total” digest. |
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> This procedure is considered appropriate for this style of mineralisation No geophysical results discussed |
| | <ul style="list-style-type: none"> 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"> The laboratory analysed a range of internal and industry standards, blanks and duplicates as part of the analysis. OREAS standards are inserted on a 1:50 ratio by staff in the field. All standards, blanks and duplicates were within acceptable levels of accuracy and precision. |
| <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. | <ul style="list-style-type: none"> No verification of significant results has taken place at this time. |
| | <ul style="list-style-type: none"> The use of twinned holes. | <ul style="list-style-type: none"> No twin holes have been drilled. |
| | <ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. | <ul style="list-style-type: none"> Primary data is recorded in the field in geological log books. This data is then recorded in a spreadsheet and imported to a digital database software package. |
| | <ul style="list-style-type: none"> Discuss any adjustment to assay data. | <ul style="list-style-type: none"> No adjustments have been made to the assay data. |
| <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. | <ul style="list-style-type: none"> Sample locations were recorded with a Garmin handheld GPS which has an accuracy of +/-5m. |
| | <ul style="list-style-type: none"> Specification of the grid system used. | <ul style="list-style-type: none"> GDA94 MGA Zone 50 and Zone 51 (T8, T11) |

| Criteria | JORC Code explanation | Commentary |
|--|--|---|
| | <ul style="list-style-type: none"> Quality and adequacy of topographic control. | <ul style="list-style-type: none"> The level of topographic control offered by the handheld GPS is considered sufficient for the work undertaken. |
| <i>Data spacing and distribution</i> | <ul style="list-style-type: none"> Data spacing for reporting of Exploration Results | <ul style="list-style-type: none"> Soils: Samples were collected on a 400mx100m grid spacing. Rock Chips: There was no predetermined grid spacing to the program. |
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource estimation purposes. |
| | <ul style="list-style-type: none"> Whether sample compositing has been applied. | <ul style="list-style-type: none"> Samples have not been composited. |
| <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. | <ul style="list-style-type: none"> Soils: Gridded samples potentially provide an indication of the strike direction of mineralization. All samples have been collect perpendicular to dominate regional structures and lithology. Rock Chips: Sampling was carried around old prospector workings in order to confirm gold mineralization and characterize the pathfinder elements. |
| | <ul style="list-style-type: none"> 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"> Not applicable, no drilling has been carried out. |
| <i>Sample security</i> | <ul style="list-style-type: none"> The measures taken to ensure sample security. | <ul style="list-style-type: none"> Samples were collected, stored and delivered to the lab by field personnel. |
| <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"> No audits or reviews have been undertaken. |

Section 2 Reporting of Exploration Results

| 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. | <ul style="list-style-type: none"> The Barlee Gold Project is comprised of 2 granted and 5 pending Exploration Licenses (E77/2403, E77/2416, E77/2432, E30/488, E30/493, E30/494 and E16/495) which are held by Segue (Salt Creek) Pty Ltd which is a 100% owned subsidiary of Segue Resources Ltd. There are no JVs, Partnerships or overriding royalties associated with these tenements. Portions of E30/492 and E30/493 are underlain by 14 small mining leases held by MacArthur Iron Ore Pty Ltd over their declared iron ore resources (M30/206-207, M30/213-17, M30/227-229, M30/248, M30/250-252). There are no Native Title Claims over the tenements. The project is adjacent to the Mount Manning Range Nature Reserve. Available ground within the nature reserve was not pegged. Part of E77/2403 and E30/488 are located within the Proposed Mt Elvire Conservation Park. Mining and Exploration is allowed within the Mt Elvire Conservation Park. |
| | <ul style="list-style-type: none"> 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"> Tenements E77/2403 and E30/488 have been granted and are currently live and in good standing. All other tenements are currently pending but in good standing and no known impediments exist. |

| Criteria | JORC Code explanation | Commentary |
|--|--|--|
| <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"> This report refers to data generated by Segue Resources. Historical exploration of the project area has been discussed in previous ASX announcements. The Rainy Rocks prospect has been explored and prospected by numerous parties over the years. The area has old shafts and evidence of historical drilling. There does appear to be additional ground disturbance in the area but no record of those activities. |
| <i>Geology</i> | <ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. | <ul style="list-style-type: none"> The Barlee Project is located over granite greenstones of the Yilgarn Craton within the Southern Cross Domain. The project covers a majority of the Yerilgee Greenstone Belt as well as the South Elvire Greenstone Belt and the NE extension of the Evanston Greenstone Belt. This geological setting is prospective for shear hosted / orogenic gold style of mineralization as well as VMS base metal, nickel sulfide and nickel-cobalt laterite mineralization. |
| <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. | <ul style="list-style-type: none"> Refer to Appendix A of this announcement |

| Criteria | JORC Code explanation | Commentary |
|---|--|---|
| | <ul style="list-style-type: none"> 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. | <ul style="list-style-type: none"> No weighted averaging techniques have been applied to the data. |
| | <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. | <ul style="list-style-type: none"> No aggregate intercepts have been reported. |
| | <ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. | <ul style="list-style-type: none"> No metal equivalent values reported. |
| <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. | <ul style="list-style-type: none"> No drilling intercepts have been reported. |
| | <ul style="list-style-type: none"> 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"> No drilling intercepts have been reported. |
| <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, | <ul style="list-style-type: none"> Refer to figures within the announcement. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | but not be limited to a plan view of drill hole collar locations and appropriate sectional views. | |
| <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"> Diagrams clearly show higher and lower grade areas resulting from plotting all of the assay results. Descriptive Statistics: <ul style="list-style-type: none"> Min: <0.1ppb Mean: 3.6ppb Median: 1.7ppb Max: 600ppb Std Dev: 18.7ppb |
| <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"> Litho-structural interpretation of airborne magnetics data over the Barlee Project is currently ongoing through Southern Geoscience Consultants. |
| <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 areas, provided this information is not commercially sensitive. | <ul style="list-style-type: none"> Planned future work at the Barlee Gold Project includes infill multi-element surface geochemical surveys, POW submittal and first pass drilling. Refer to figures within the announcement. |