

18 July 2017

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

DRILLING COMMENCED AT BARLEE GOLD PROJECT

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce the commencement of a maiden drill programme at the Barlee Gold Project in the Southern Cross Region of Western Australia (**Figure 2**). The 4,000m aircore drilling programme will test the T1a and T2 gold prospects (**Figure 1**) near the historic Rainy Rocks gold workings in the northern portion of the Project area. The aircore drilling programme is expected to be completed within three weeks with assay results to follow in late August.

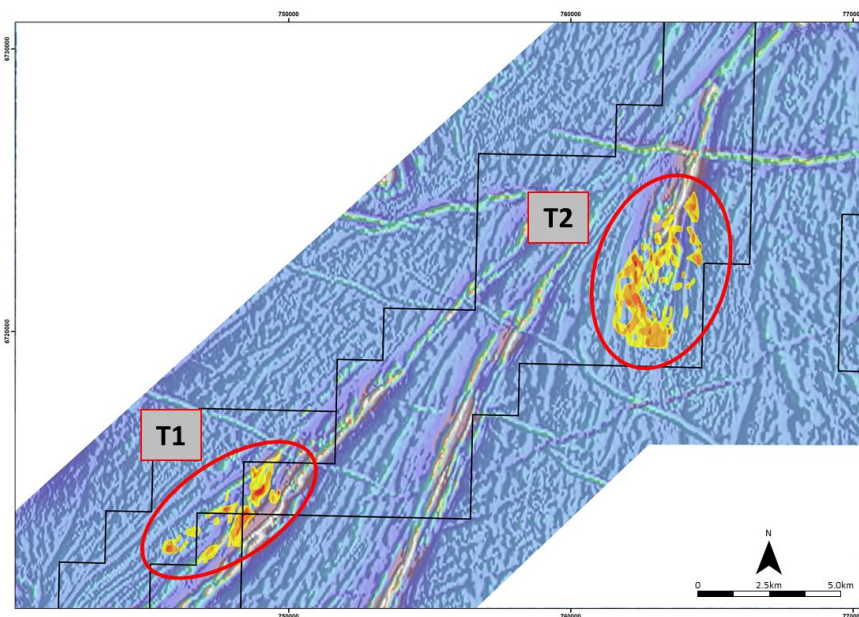


Figure 1: T1 and T2 gold prospects

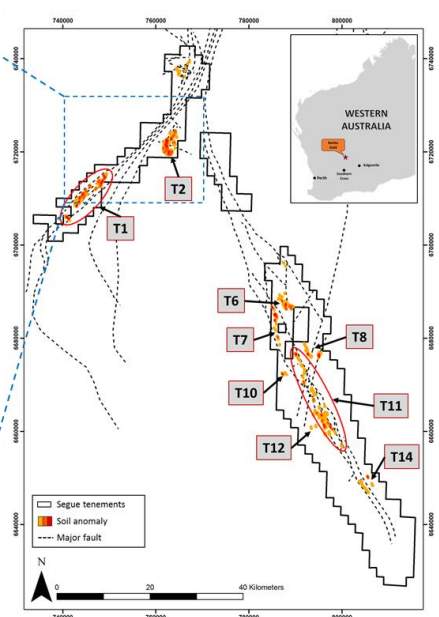


Figure 2: Project location map

Drilling will take place at the T1 and T2 prospects which are located on the recently granted exploration licence E77/2403. Aircore drilling will target the fresh rock interface and aim to intersect gold mineralisation at the base of weathering and collect fresh rock samples for multi-element and hyperspectral analysis.

Following completion of the Barlee Gold aircore drilling programme, Segue will commence a 2,500m reverse circulation drilling programme at the Gascoyne Lithium Project in mid-August (*see announcement on 11 July 2017*). A second phase of aircore drilling, targeting the southern portion of the Barlee Gold Project, is planned to be completed in September 2017.

The T1 target area is the north-east extension of the historic gold workings at Rainy Rocks and Yahoo which had returned rock chips up to 26g/t Au. Drilling at T1 is targeting a flexure along the major shear structure within a package of mafic-ultramafic rocks and sediments which have been intruded by a felsic intrusion within the Evanston Greenstone Belt. The T1 target is delineated by a 1.5km x 1.4km gold in soil anomaly including a grouping of >100 ppb soil samples.

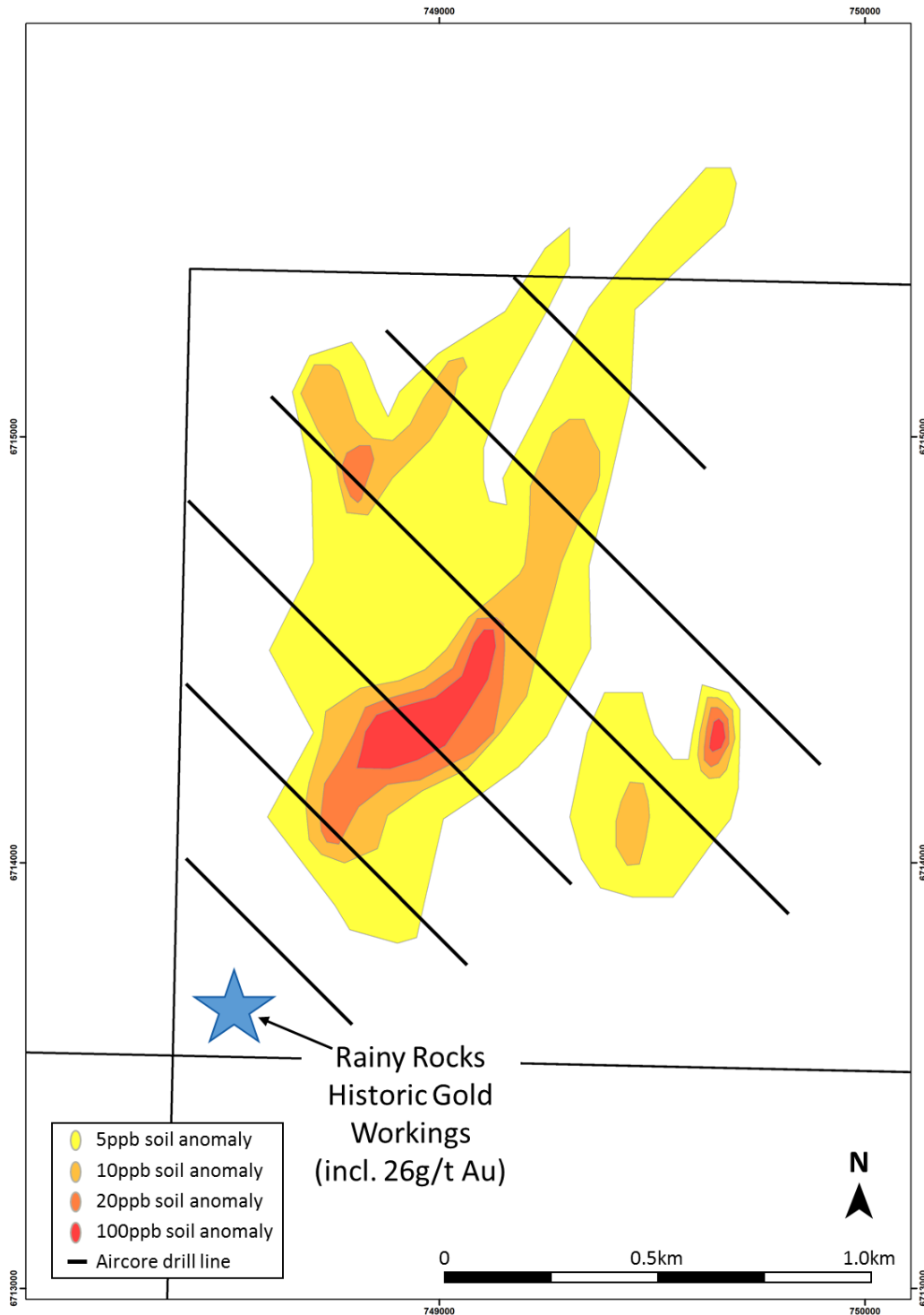


Figure 3: T1a gold prospect showing aircore drill lines and Rainy Rocks gold workings

Drilling at the T2 target will test a 3.5km x 1.4km gold in soil anomaly along the faulted and folded western margin of the Mt Elvire greenstone belt. Soil sampling at T2 included a peak gold in soil value of 220ppb Au (0.22g/t Au). Coincident with the gold in soil anomaly is a Bi-W-Te association indicative of orogenic gold mineralisation.

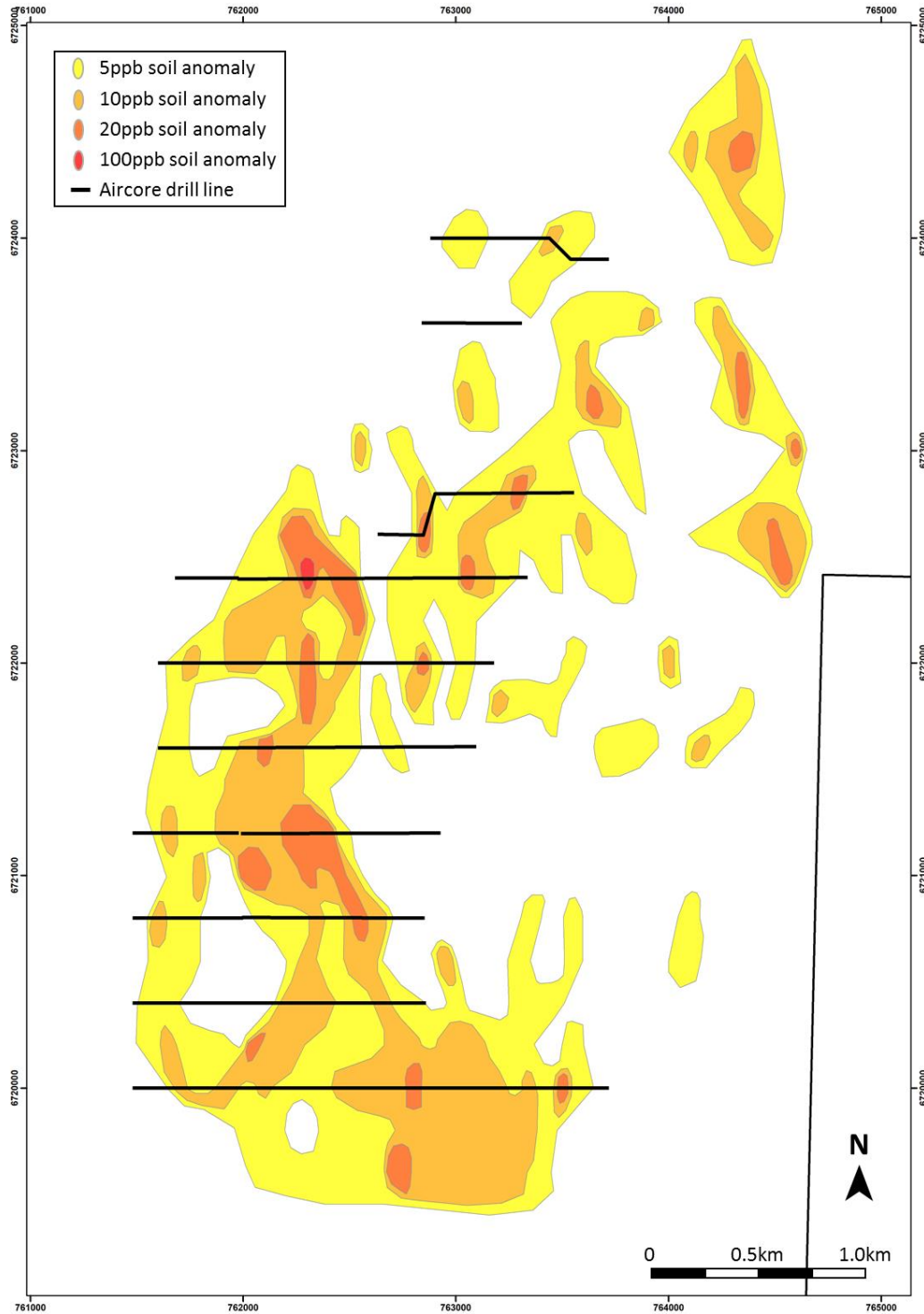


Figure 4: T2 gold prospect showing aircore drill lines

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 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.