

14 November 2017

DRILLING COMPLETED AT BARLEE GOLD PROJECT

HIGHLIGHTS:

- Maiden aircore and RC drilling program completed over T6, T8 and T11 at the Yerilgee Greenstone Belt (Barlee South)
- Abundant alteration observed within prospective geological settings for gold mineralisation
- Additional drilling at T2 intersected similar alteration and host lithology as previous mineralised intercepts within a 1.2km x 300m gold anomaly
- Assay results for all drilling are expected by end of November
- Exploration to commence in December at the Pilbara Gold Project near recent nugget discoveries

Segue Resources Limited (**Segue** or the **Company**) is pleased to announce the second phase of aircore and reverse circulation (**RC**) drilling has been completed at the Barlee Gold Project, west of Menzies, Western Australia (**Figure 1**).

A total of 67 holes were drilled across the T2, T6, T8 and T11 prospects. 39 shallow vertical holes were drilled for 2,058m and 28 angled RC holes were completed for 3,264m. All samples are now at the assay lab and results expected to be announced by the end of November 2017.

This was the first significant gold drilling ever undertaken at the T6, T8 and T11 prospects within the greenschist facies Yerilgee Greenstone Belt. The drill programme was designed to test coincident gold and pathfinder in soil anomalies over areas of structural interest.

While assay results are yet to be received, the drill programme is highly encouraging, with quartz-sulphide-carbonate alteration intersected at each prospect.

At the T6 prospect, Segue completed 29 aircore holes across three fence lines and six RC holes (**Figure 2**). Three RC holes were drilled into a well mineralised porphyry to the south-east and three holes interested a quartz-breccia/BIF contact in the north-west of the prospect.

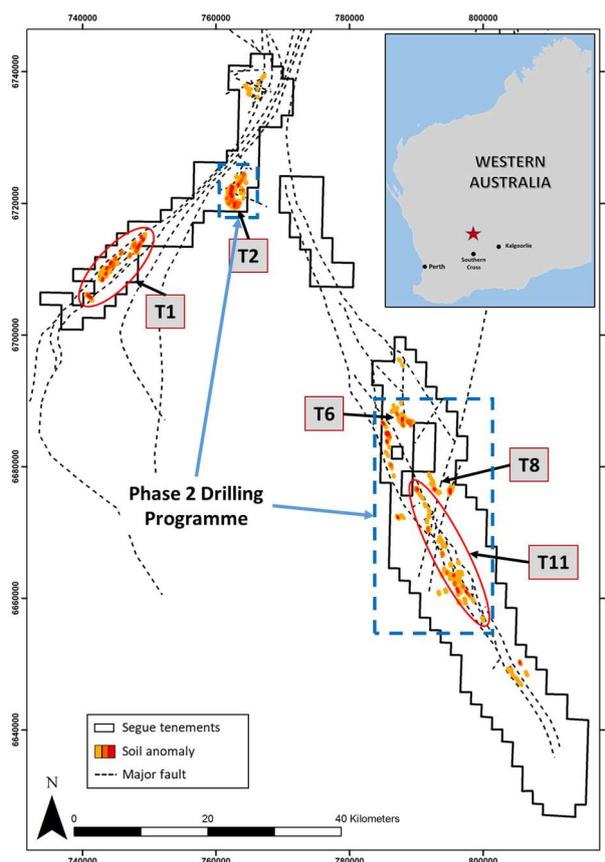


Figure 1: Project location map

T6 is interpreted to be a regional anticline of high magnesium basalts, sedimentary iron formations and ultramafics, which have been faulted and intruded by a number of mineralised felsic porphyrys and dacites. Drilling of the southern line intersected alteration associated with the contact of high magnesium basalts and a felsic porphyry intrusion. Drilling also intersected a 10 – 40m wide brecciated quartz vein along a sedimentary iron formation/ultramafic contact with a porphyry intrusion in the north-west of the prospect.

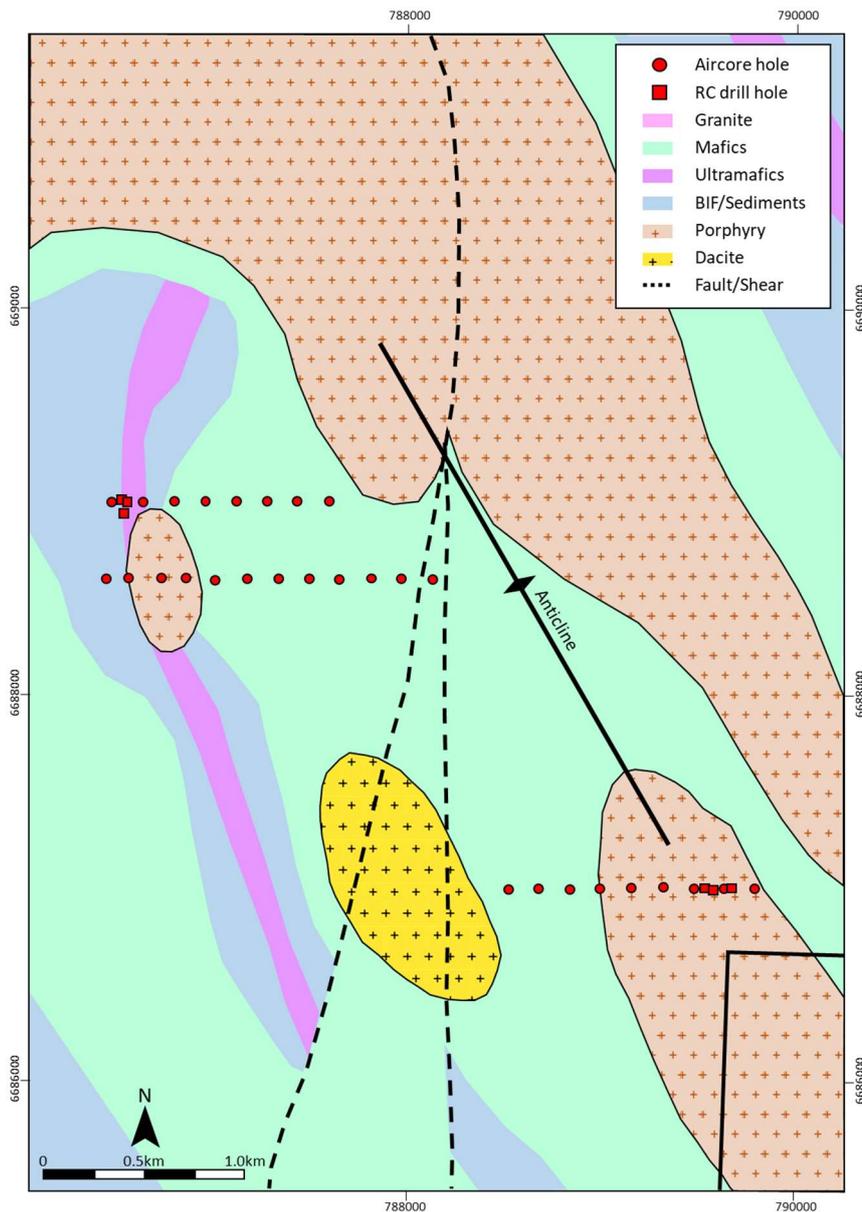


Figure 2: T6 Prospect – drill collar locations over geological interpretation

Drilling at T8 identified an anticlinal closure of a banded iron formation which had been intruded by a felsic porphyry along a significant regional lineament. The drilling intersected a flat lying BIF which had been completely replaced by massive pyrite, arsenopyrite and quartz in three holes across both drill lines. The underlying high magnesium basalts had been almost completely altered to magnetite explaining the associated intense magnetic anomaly.



Figure 3: Drill rig at T8 Prospect

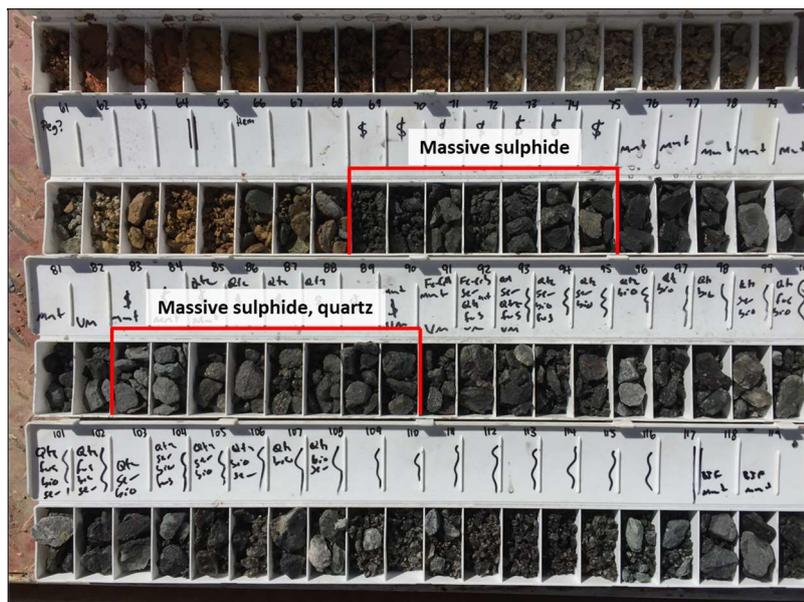


Figure 4: Hole BARRC0015 at T8 Prospect showing sulphide and quartz intersection

Drilling at the T11 prospect intersected a sequence of sedimentary and sedimentary iron formation units with interbedded ultramafic rocks overlain by fine to medium grained mafic basalts to dolerites. The rocks had been intruded by both felsic and dacite porphyrys, with associated quartz sulphide carbonate alteration (**Figure 5**). Two RC holes were drilled into a quartz vein within a mineralised porphyry, along strike from a shallow prospector shaft.

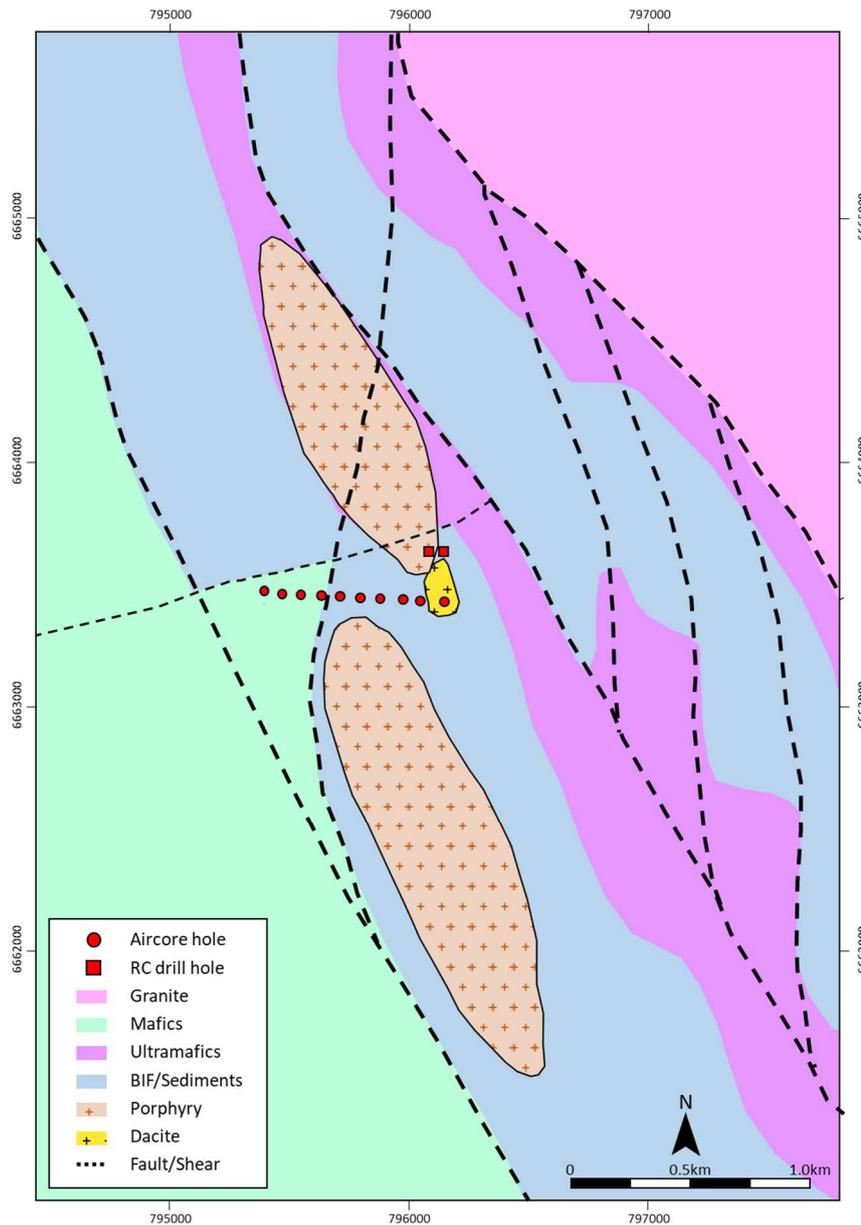


Figure 5: T11 Prospect – drill collar locations over geological interpretation

In addition to these first pass holes, two additional drill lines were drilled at the T2 prospect to follow up and extend previous mineralised intercepts (**Figure 6**). Drilling at T2 intersected quartz veining and associated alteration, similar to the setting and alteration of previous mineralised intersections at T2.

All samples have been dispatched for assaying and results are expected to be received by the end of November 2017.

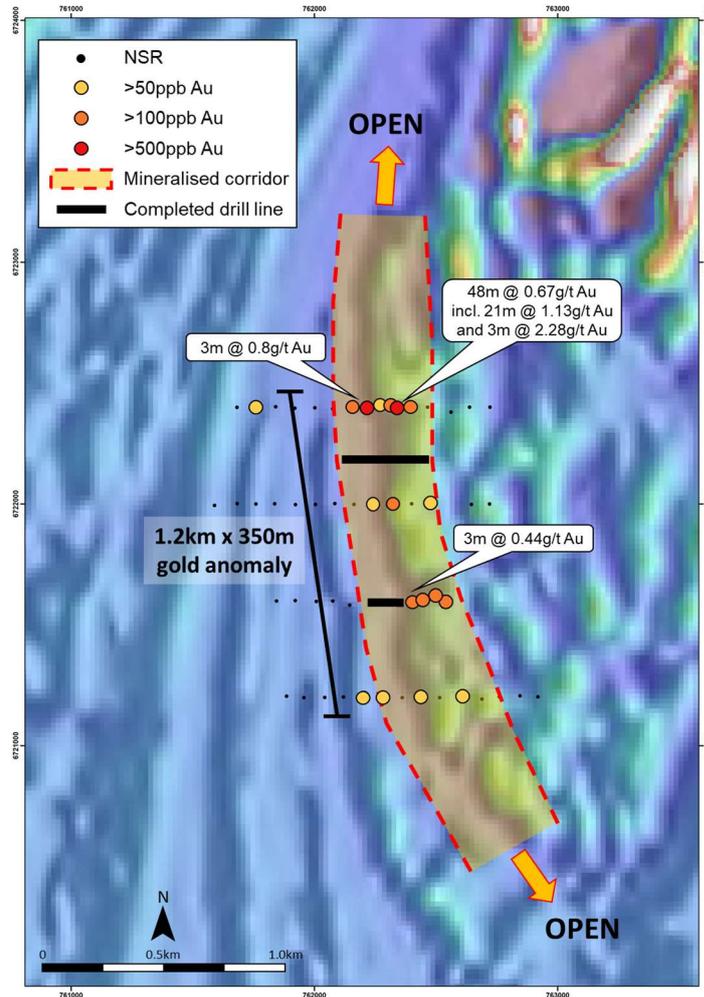


Figure 6: T2 Prospect showing 1.2km x 300m gold anomaly and previous drill results

Given the success of the first two drill programmes at the Barlee Gold Project, Segue has commenced a soil sampling programme over the untested gold prospects (Barlee South) to better define drill targets for the next round of drilling in 1Q 2018. The soil sampling programme will be completed within two weeks and Segue will then undertake a maiden exploration programme at the Pilbara Gold Project.

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.