ASX Release

segue RESOURCES LTD

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ASX Code: SEG

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

EXPLORATION UPDATE – SALT CREEK PROJECT

HIGHLIGHTS:

- **842 metre aircore drilling program (20 holes) has been completed on two traverses covering two coincident gravity and magnetic features**
- **Drilling has intersected multiple phases of mafic intrusive rocks (gabbro and dolerite) that are largely coincident with the targeted gravity highs**
- **Sulphides have been identified in petrographic examination, including traces of chalcopyrite (copper sulphides) interpreted to be of magmatic origin**
- **This data provides key geological and lithological information for ongoing exploration programs**

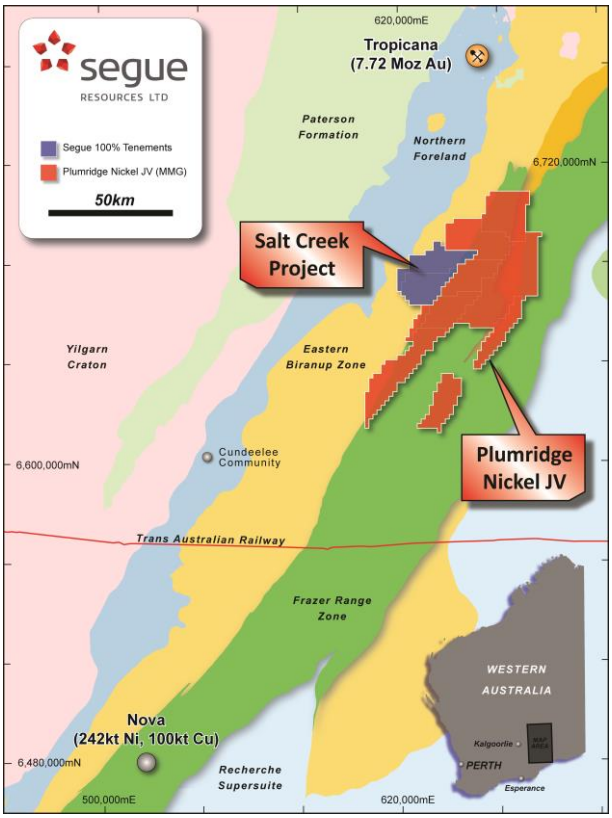

Figure 1: Plumridge Nickel Project Location Map

Key Facts:

Segue Resources Limited

ASX Code:	SEG
Share price (10/12/15):	0.2¢
52 week range:	0.1 - 0.9¢
Shares on issue:	2,639.8m
Market cap.:	$5.3m

Plumridge Nickel Project (100%[1])

Location:	Fraser Range, WA
Tenement holding:	2,450km^2

Salt Creek Project (100%)

Location:	Eastern Biranup Zone, WA
Tenement holding:	450km^2

Deralinya Nickel Project (70%)

Location:	Fraser Range, WA
Tenement holding:	775km^2

Pardoo Nickel Project (100%[1])

Location:	Pilbara, WA
Tenement holding:	330km^2

1. Subject to farm-out joint venture.

Unit 16, 40 St Quentin Ave
Claremont WA 6010

PO Box 886
Claremont WA 6910

T +61 (8) 9383 3330
F +61 (8) 9486 4799

The Salt Creek Complex (**SCC**) is a 150km long belt of intermediate-mafic intrusions that are inferred to have formed along an Archaean-Proterozoic suture. The intrusions are considered prospective for nickel, copper and PGE's, similar to those found at the Nova Bollinger and Nebo Babel nickel-copper deposits. The intrusions do not outcrop and are concealed below recent sedimentary sequences. However, they are clearly visible within processed magnetic imagery. The majority of the SCC is held by Independence Group NL/AngloGold Ashanti, with Segue the second largest tenement holder (**Figure 2**).

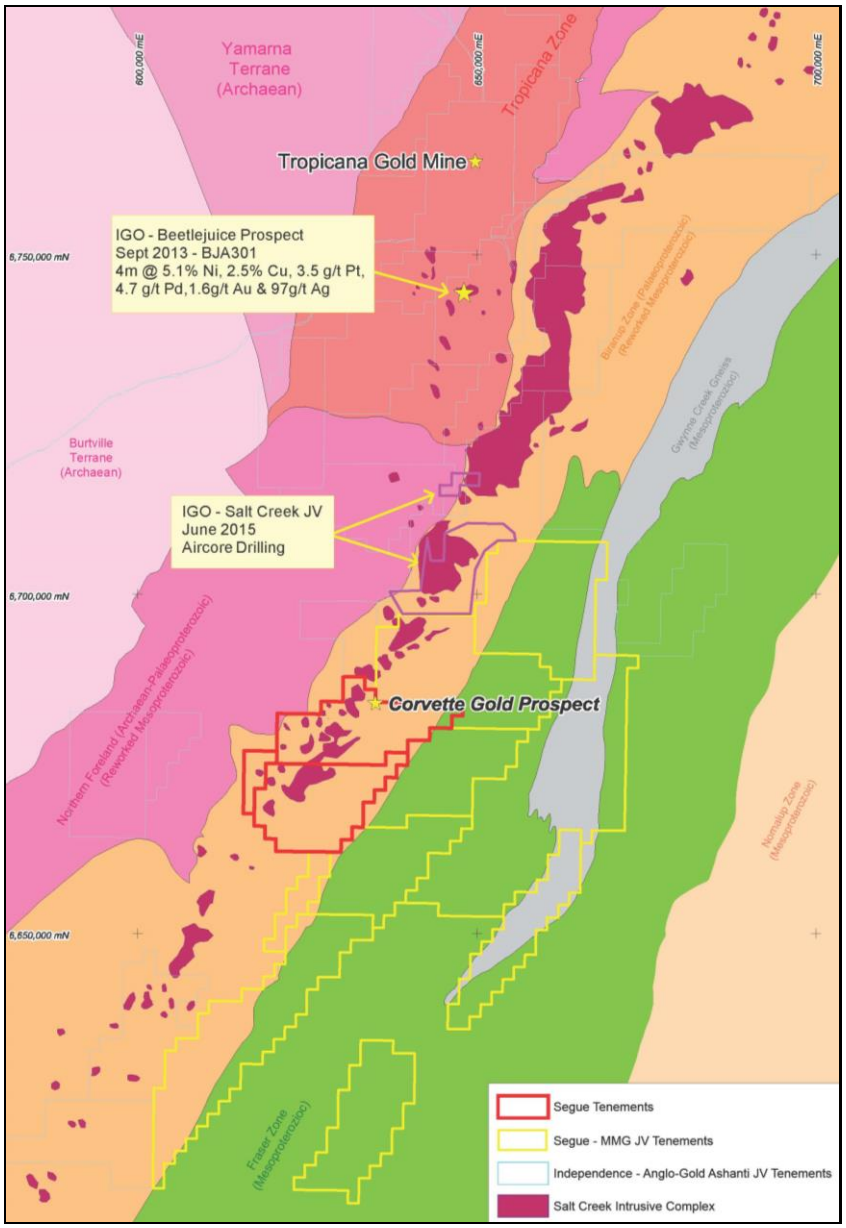

Figure 2: Salt Creek Project (red outline) over simplified geology

The SCC is currently a focus of exploration by Independence Group NL (IGO) after the discovery of significant mineralisation in September 2013 at the Beetlejuice Prospect, 60km north of Segue's Plumridge Project (aircore hole BJA301 intersected 4m @ 5.1% Ni, 2.5% Cu, 3.5g/t Pt, 4.7g/t Pd, 1.6g/t Au and 97g/t Ag).

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Results of maiden aircore drilling programme

Through existing detailed magnetic surveys and the project scale gravity survey recently completed by Segue, two exploration targets were highlighted within the Salt Creek Nickel Project. The targets are broad residual gravity anomalies that occur over thickenings of the observed magnetic features. These areas were tested with two traverses of aircore drilling to provide initial geological and geochemical information to assist with the identification of any potentially "fertile" intrusions that will form the basis for further exploration efforts by Segue in 2016.

The aircore drilling program comprised 20 holes (842 metres) on two traverses and covered the two coincident gravity and magnetic features (**Figure 3**). The drill holes reached an average depth of 42 metres and in all cases intersected and sampled fresh bedrock material. A younger sequence of sediments averaging 15-20 metres overlies the basement rock.

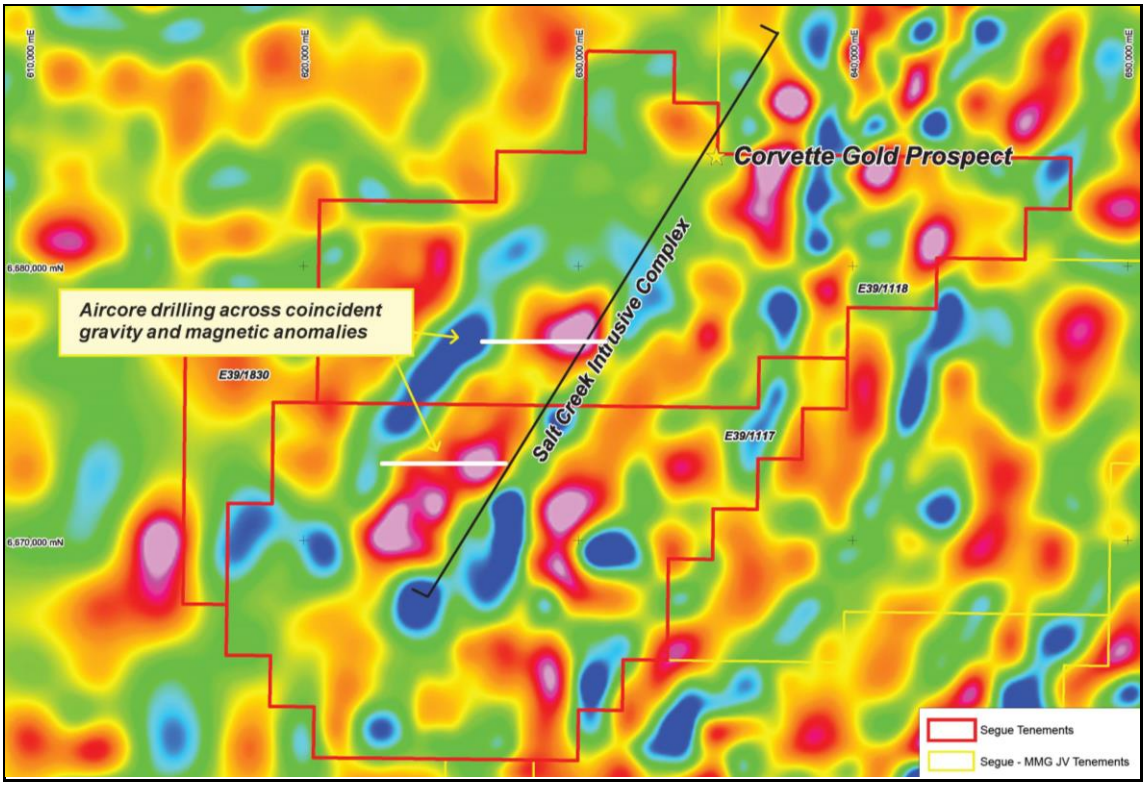

Figure 3: Aircore drilling programme over gravity contours

The drilling intersected three zones of mafic intrusive rocks that appear to be largely coincident with the targeted gravity highs. The intrusions range from fresh dolerite and gabbro that have undergone variable amounts of metasomatic alteration, to totally altered high metamorphic grade amphibolite (after mafic intrusion). This variation suggests that the SCC in this location has been emplaced in multiple phases over an extended period of time.

Traces of sulphides have been identified in both hand specimen and in petrographic analysis. These sulphides, including chalcopyrite, are interpreted as being of an igneous (magmatic) origin indicating that critical sulphur saturation has been reached as the magma crystallised (**Figure 4**), and thus confirming the potential of these rocks to form magmatic sulphide deposits.

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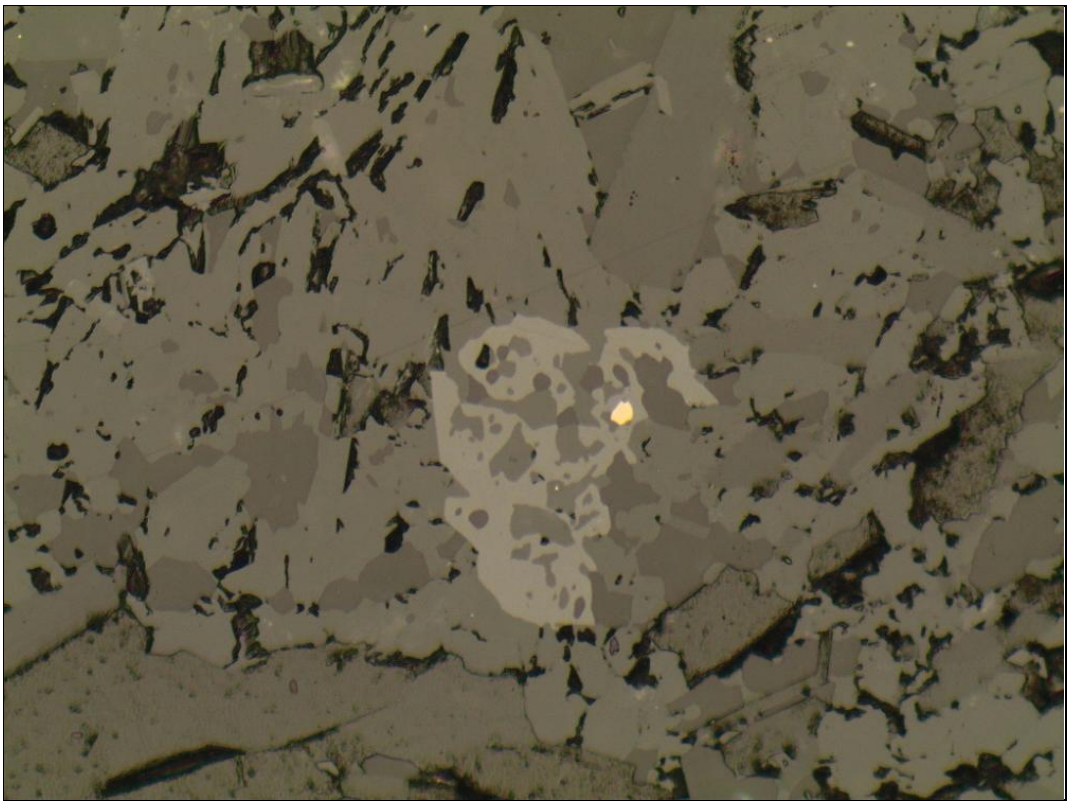

Figure 4: Reflected light image from PAC052 showing small chalcopyrite grain within a poikilitic titanate grain (light grey). Darker grey are silicates (mostly hornblende, plagioclase). Width = 0.5 mm.

The results of this work provide the basis for ongoing programs of exploration. They demonstrate that the gravity anomalies provide a robust targeting tool in preference to the magnetic data and that aircore is an effective method to delineate the size and extent of the intrusions beneath the transported cover, whilst collecting critical litho-geochemical data.

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

Segue Resources Limited
Mr Steven Michael
Managing Director
T: +61 8 9383 3330
E: info@segueresources.com

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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Table 1: Drill Collar Data						
Hole_ID	Depth (m)	Easting	Northing	RL	Azimuth	Dip
PAC049	34	627499	6677253	301	180	-90
PAC050	42	626997	6677252	297	180	-90
PAC051	40	626495	6677252	295	180	-90
PAC052	32	628496	6677248	295	180	-90
PAC053	32	629007	6677246	294	180	-90
PAC054	46	629503	6677273	294	180	-90
PAC055	47	630000	6677255	293	180	-90
PAC056	47	630496	6677211	293	180	-90
PAC057	41	631002	6677254	291	180	-90
PAC058	49	627988	6677252	291	180	-90
PAC059	84	622751	6672797	297	180	-90
PAC060	39	623250	6672800	299	180	-90
PAC061	40	623747	6672794	300	180	-90
PAC062	41	624250	6672796	300	180	-90
PAC063	45	624752	6672803	299	180	-90
PAC064	36	625250	6672798	299	180	-90
PAC065	31	625753	6672800	296	180	-90
PAC066	30	626251	6672806	297	180	-90
PAC067	36	626752	6672802	296	180	-90
PAC068	49	627249	6672809	295	180	-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 20 hole aircoredrilling program was undertaken with 1m samples collected from the rig and laid out on the floor on site. Approximately ~8kg of cuttings were collected for each sample with a 2kg calico composite sample collected for assay submission if warranted. Select samples were submitted to ALS laboratories (Perth) to be analysed via fire assay for gold.
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.
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 from the rig sample collection box. Not investigated - Not applicable 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 using a scoop and composited. Samples on the whole were dry. CRM's will be 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 technique was fire assay with low level atomic absorption spectroscopy.
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 geologists discursion.
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 at this stage.
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.

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 E39/1117 & E39/1118 are 100% owned entities that are completely owned by Segue Resources Ltd. - 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.*	Nickel exploration has previously been conducted in the area by BHP and Mithrill Resources. 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 mafic-ultramafic intrusive related Ni-Cu 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:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *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 Table 1.
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.*	Where necessary, standard weight averaging techniques have been applied due to varied sample sizes.
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 further aircore drilling.