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

SEGUE ACQUIRES OPTION OVER WA LITHIUM EXPLORATION TENEMENTS

Segue Resources Limited (**Segue** or the **Company**) has entered into an option and purchase agreement (**Agreement**) to acquire 100% of the share capital of Next Advancements Pty Ltd (**Next Advancements**). Next Advancements owns three exploration licence applications covering approximately 220km² at Morrissey Hill in the Gascoyne region of Western Australia (**Figure 1**). The tenements are highly prospective for tantalum-lithium minerals and are adjacent to exploration licence applications held by Lithium Australia NL (ASX: LIT) and Venus Metals Corporation Limited (ASX: VMC).

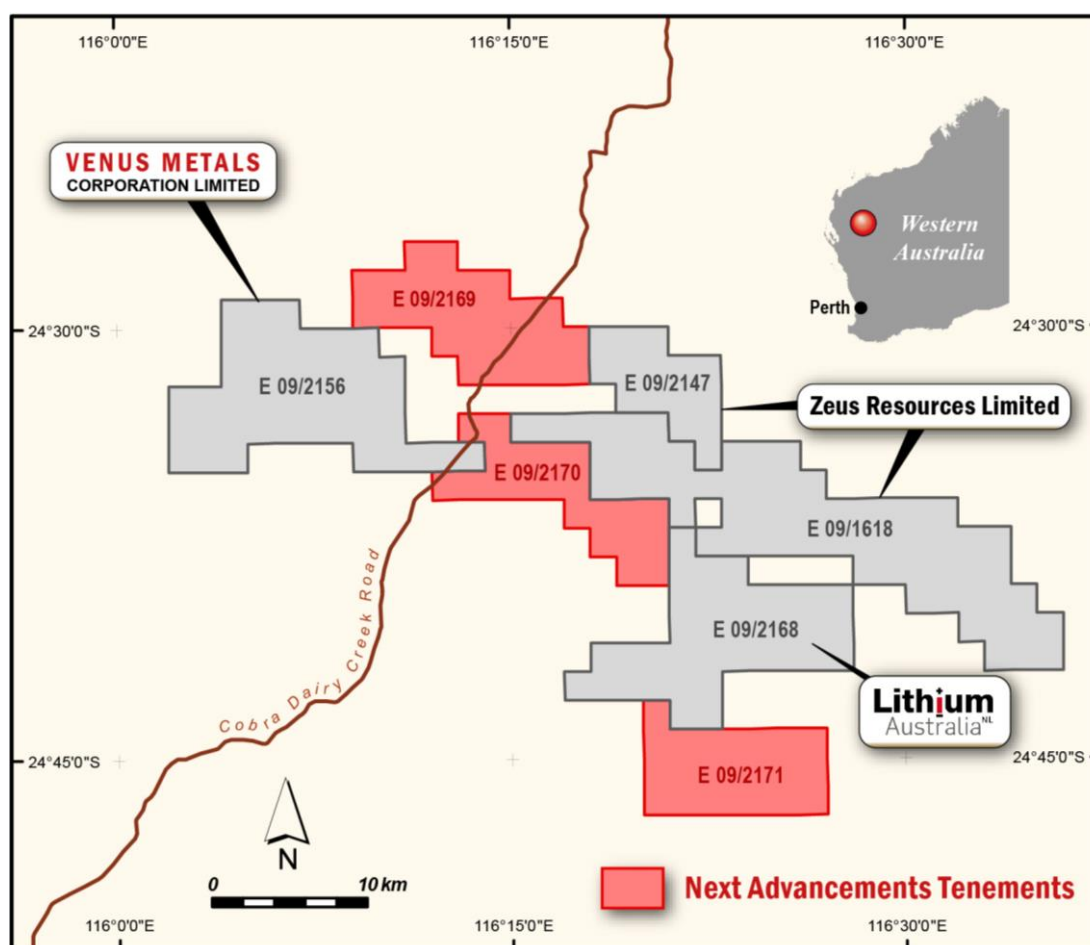


Figure 1: Tenement location map

Segue will undertake a maiden exploration programme in early April 2016 to test the Yinnietharra and Pyramid Hill – Wabli Creek pegmatite fields of the Gascoyne Complex for their lithium potential. The field work and surface sampling will seek to identify pegmatites which are more fractionated and have the potential to host tantalum-lithium deposits. The map below (**Figure 2**) shows biotite-muscovite bearing granitic intrusions which are potentially the source rock for LCT (Lithium-Caesium-Tantalum) rare-earth pegmatites.

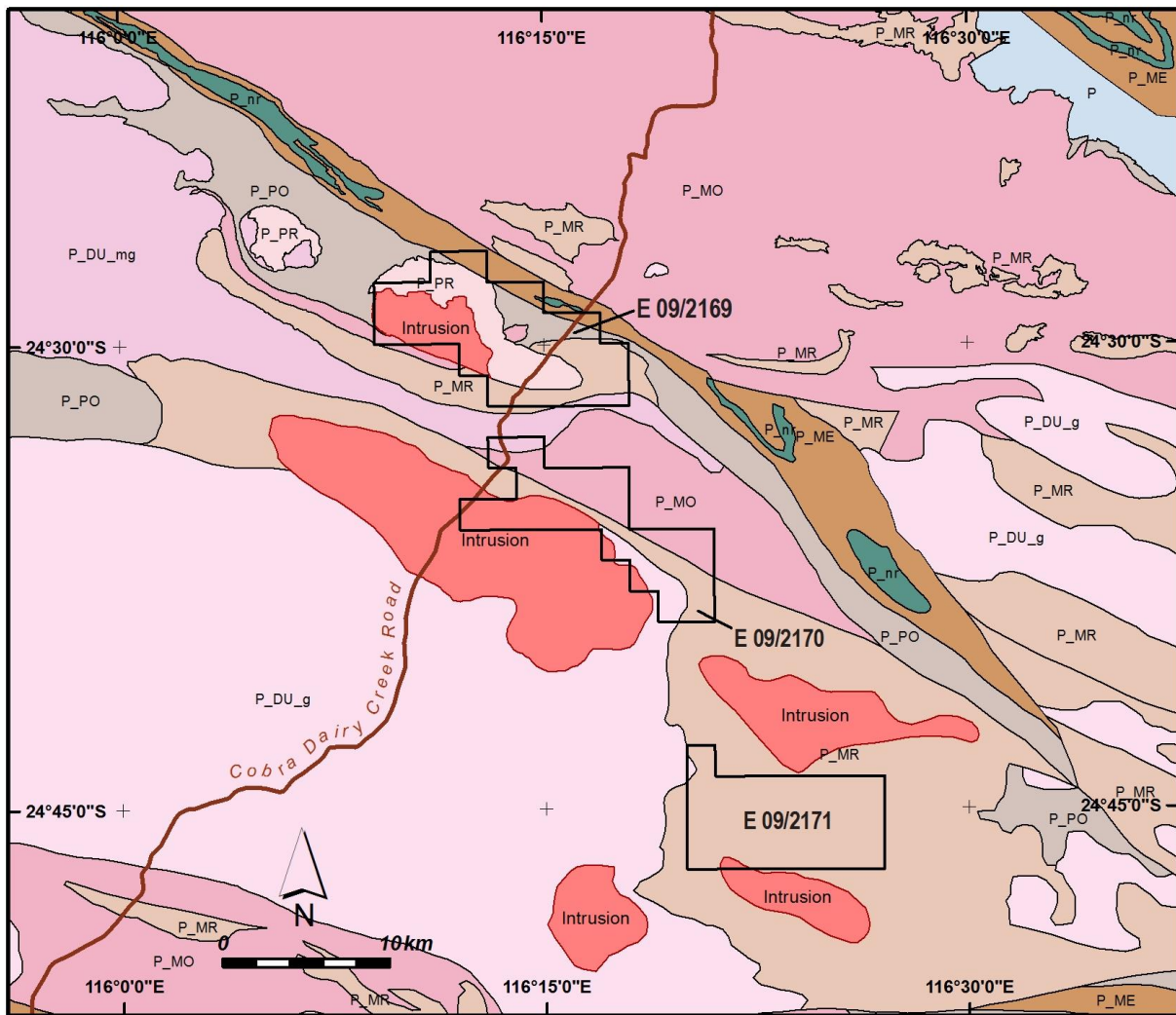


Figure 2: Simplified geological map showing biotite-muscovite intrusions

The known pegmatites in the region have been worked since the 1800s for their mica, beryl, tantalum and niobium. The pegmatites appear to be part of the LCT class of pegmatite which show a distinct zonation from barren to lithium bearing with distance from their granitic source (**Figure 3**). The 'sweet spot' for lithium fractionation is generally 2 - 4km from the intrusion.

By mapping and sampling the pegmatites it is possible to develop a zonation map to assist with vectoring in on any potential lithium bearing pegmatites in the region (**Figure 4**). The tenements cover a large portion of the lithium target zone around the intrusions. The April Pegmatite, immediately adjacent to tenement E09/2169, contains a previously logged lithium occurrence and sits within the potential lithium target zone.

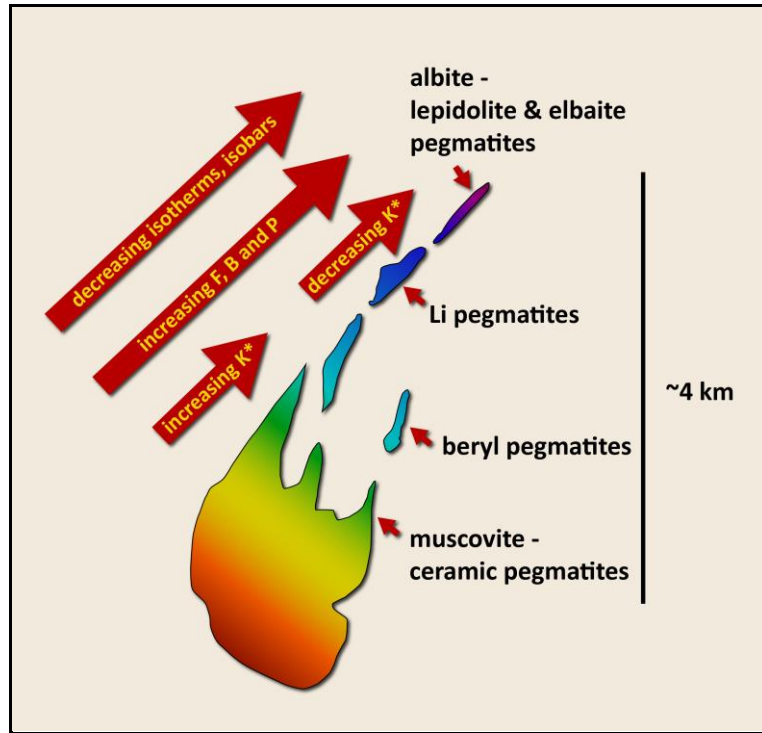


Figure 3: Schematic regional zoning in a cogenetic parent granite and pegmatite group (Modified from London, 2010)

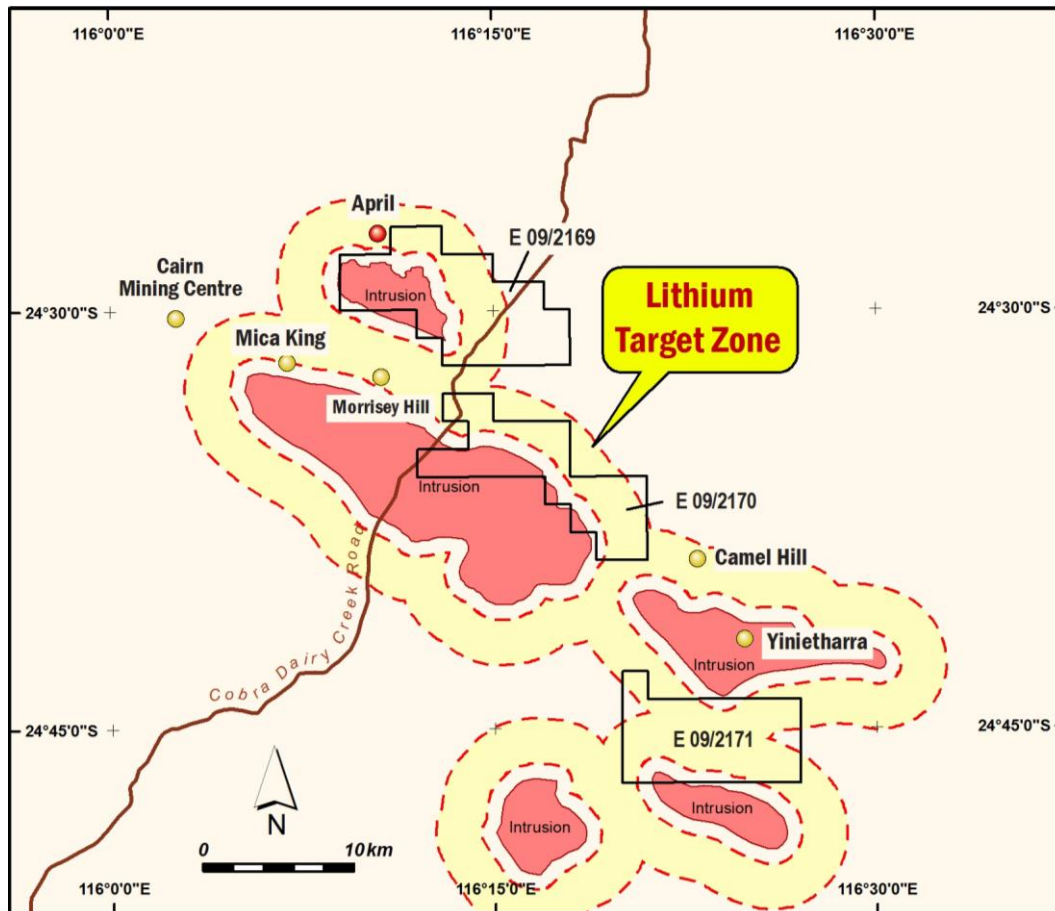


Figure 4: Simplified geological map showing target zone for lithium potential

The key terms of the Agreement are:

- Option fee of \$25,000 in cash and \$25,000 in Segue shares (at an issue price of 0.1¢ per share);
- Segue can acquire 100% of Next Advancements through the issue of \$100,000 in Segue shares (at an issue price of 0.1¢ per share) following the granting of two exploration licences; and
- Segue will issue Next Advancements with \$100,000 in Segue shares upon announcement of a JORC-compliant resource of 1mt at 1.2% Li. The issue price of the Segue shares will be the 10-day VWAP immediately prior to the resource announcement.

Commenting on the Agreement, Segue's Managing Director, Mr Steven Michael, said:

Segue has acquired a low-cost option over three highly prospective tenements in an emerging tantalum-lithium region of Western Australia. The tenements are adjacent to exploration licence applications from established lithium explorers, Lithium Australia and Venus Metals.

The exploration licences contain pegmatites and historic mica mines which will be mapped and sampled in an upcoming field visit in April 2016. The northern-most tenement, E09/2169, is adjacent to the April Pegmatite which has been historically logged as containing lithium.

The option over these three tenements provide Segue with a high impact exploration project with walk-up lithium targets. Apart from the \$25,000 cash component of the option fee, all of the money spent on the project will be in the ground, which is consistent with Segue's strategy of maximising returns through low cost acquisitions and cost-effective exploration.

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

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