
SEGUE RESOURCES LIMITED

ACN 112 609 846

NOTICE OF GENERAL MEETING

TIME: 11:00am WST

DATE: 18 October 2016

PLACE: Amberley Business Centre
Level 3, 1060 Hay St
West Perth WA 6005

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9383 3330.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11:00am WST on Tuesday, 18 October 2016 at:

Amberley Business Centre
Level 3, 1060 Hay St
West Perth WA 6005

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 11:00am WST on 16 October 2016.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie, as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE –NEXT ADVANCEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 25,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE - NEXT ADVANCEMENT SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 100,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE –SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 318,570,049 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE - SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,500,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO MR STEVEN MICHAEL

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 50,000,000 Shares as Director incentive remuneration and grant a loan of \$148,500 to acquire those Shares to Mr Steven Michael (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

6. RESOLUTION 6 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO DR FRAZER TABEART

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Shares as Director incentive remuneration and grant a loan of \$89,100 to acquire those Shares to Dr Frazer Tabeart (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 7 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOAN TO MR NICHOLAS ONG

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 30,000,000 Shares as Director incentive remuneration and grant a loan of \$89,100 to acquire those Shares to Mr Nicholas Ong (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

8. RESOLUTION 8 – VARIATION TO MILESTONE TERMS - MR STEVEN MICHAEL

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“Approval is given to vary the milestone terms attaching to the 30,000,000 Shares previously issued to Mr Steven Michael under the Plan, in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

9. RESOLUTION 9 – VARIATION TO MILESTONE TERMS - DR FRAZER TABEART

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“Approval is given to vary the milestone terms attaching to the 25,000,000 Shares previously issued to Dr Frazer Tabcart under the Plan, in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (c) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (d) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (c) the proxy is the Chair; and
- (d) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 10 – VARIATION TO MILESTONE TERMS - MR NICHOLAS ONG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“Approval is given to vary the milestone terms attaching to the 12,500,000 Shares previously issued to Mr Nicholas Ong under the Plan, in the manner set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in any employee incentive scheme in relation to the Company, and any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (e) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and

(f) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

(e) the proxy is the Chair; and

(f) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Dated: 16 September 2016

By order of the Board

Matthew Foy
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTIONS 1 & 2 – RATIFICATION OF PRIOR ISSUE – NEXT ADVANCEMENT SHARES

1.1 General

On 31 March 2016 the Company announced it had entered into an option and purchase agreement to acquire 100% of the share capital of Next Advancements Pty Ltd (**Next Advancements**) (the **Agreement**).

The key terms of the Agreement include:

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

On 1 April 2016 Segue issued 25,000,000 Shares in satisfaction of the Option Fee (**Option Fee Shares**).

On 15 August 2016 Segue announced it had exercised its option to acquire 100% of Next Advancements and issued 100,000,000 Consideration Shares to the Next Advancements vendors.

The Option Fee Shares and Consideration Shares were issued under the Company's 15% annual placement capacity without prior shareholder approval. Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Option Fee Shares. Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Consideration Shares.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue of the Option Fee Shares and Consideration Shares issues, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Resolutions 1 and 2 are ordinary resolutions.

1.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolutions 1 and 2:

- (a) In relation to Resolution 1, 25,000,000 Shares were issued and in relation to Resolution 2, 100,000,000 Shares were issued.
- (b) In relation to Resolution 1, the issue price of the Option Fee Shares was 0.1¢ per Share. In relation to Resolution 2, the issue price of the Consideration Shares was 0.1¢ per Share.;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to the vendors of Next Advancements set out below, none of whom are related parties of the Company:

Next Advancements Pty Ltd Vendors
Vassago Pty Ltd atf Aston Trust
BBD Custodians Pty Ltd atf BBD Trust
Red Marlin Pty Ltd atf Red Marlin Trust
Whead Pty Ltd
TJA Assets Pty Ltd
Nicola Kirk
Adrian Black

- (e) no funds were raised from the issue of the Option Fee Shares or the Consideration Shares.

2. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE - SHARES

2.1 General

The Company previously issued the following shares pursuant to its ASX Listing Rule 7.1A capacity:

- On 24 December 2015 the Company raised \$55,000 through the issue of 26,570,049 shares at 0.207¢;
- On 20 April 2016 the Company raised \$250,000 through the issue of 100,000,000 shares at 0.25¢;
- On 2 June 2016 the Company raised \$216,000 through the issue of 80,000,000 shares at 0.27¢; and
- On 5 September 2016 the Company raised \$258,434 through the issue of 57,429,970 shares at 0.45¢.

In addition, on 5 September 2016, the Company raised \$245,565 through the issue of 54,570,030 shares at 0.45¢ pursuant to its ASX Listing Rule 7.1 capacity.

Resolution 3 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares that were issued under the Company's ASX Listing Rule 7.1A and 7.1 capacity.

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to have the additional capacity to issue equity securities during any 12-month period up to that amount which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period, subject to that issue satisfying certain criteria.

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1A. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1A (and provided that the previous issue did not breach ASX Listing Rule 7.1A) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1A.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A (as approved by Shareholders on 11 November 2015) and 15% annual placement capacity set out in ASX Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Resolution 3 is an ordinary resolution.

2.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) The relevant issues are as follows:
 - (i) 26,570,049 Shares were issued on 24 December 2015 at an issue price of 0.207¢;
 - (ii) 100,000,000 Shares were issued on 21 April 2016 at an issue price of 0.25¢ per Share;
 - (iii) 80,000,000 Shares were issued on 2 June 2016 at an issue price of 0.27¢ per Share;
 - (iv) 57,429,970 Shares were issued on 5 September 2016 at an issue price of 0.45¢ per Share; and
 - (v) 54,570,030 Shares were issued on 5 September 2016 at an issue price of 0.45¢ per Share.
- (b) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares were issued to Acuity Capital Pty Ltd (**Acuity**) pursuant to the Controlled Placement Agreement entered into on 19 August 2015. Acuity is not considered a related party of the Company; and
- (d) the funds raised from this issue were used to fund the exploration at the Plumridge Nickel Project, Plumridge Gold Project and the Gascoyne

Lithium Project in Western Australia and for general working capital purposes.

3. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE - SHARES

3.1 General

On 1 April 2016, the Company issued 27,500,000 Shares to consultants and contractors in satisfaction and settlement of fees (**Consultant Shares**).

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of ordinary securities on issue at the commencement of that 12-month period.

The Consultant Shares were issued within the Company's 15% annual limit permitted under Listing Rule 7.1 without the need for Shareholder approval.

Listing Rule 7.4 provides that where a company in general meeting ratifies a previous issue of securities made pursuant to Listing Rule 7.1, providing that the previous issue did not breach Listing Rule 7.1, the issue of those securities will be deemed to have been with shareholder approval for the purpose of Listing Rule 7.1.

Resolution 4 seeks Shareholder approval for the ratification of the issue of the Settlement Shares pursuant to Listing Rule 7.4.

The effect of Shareholders passing Resolution 4 will be to restore the Company's ability to issue securities within the 15% placement capacity under Listing Rule 7.1 during the next 12 months.

Resolution 4 is an ordinary Resolution.

3.2 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 3:

- (a) The Company issued a total of 27,500,000 Shares.
- (b) The Consultant Shares are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares..
- (c) The Consultant Shares were issued to the following holders who are not related parties of the Company.

Consultant Shares Allottees
S3 Consortium Pty Ltd
Milford Resources Pty Ltd

- (d) The Consultant Shares were issued for nil cash consideration in satisfaction fees owed by the Company. Accordingly, no funds were raised from the issue of the Consultant Shares.

4. RESOLUTIONS 5 TO 7 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOANS TO RELATED PARTIES

4.1 General

The Company has agreed, subject to obtaining Shareholder approval, to the provision of a limited-recourse, interest free loan (**Loan**) to each of Dr Frazer Tabcart and Messrs Steven Michael and Nicholas Ong (**Eligible Participants**) pursuant to the Plan for the purpose of each subscribing for Shares on the terms and conditions set out below.

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

The issue of the Shares under the Plan and provision of the Loans to each of the Eligible Participants requires the Company to obtain Shareholder approval because:

- (a) the issue of the Shares to the Eligible Participants under the Plan constitutes giving a financial benefit;
- (b) the limited-recourse, interest free loan to acquire the Shares constitutes giving a financial benefit; and
- (c) as Directors, the Eligible Participants are related parties of the Company.

Each Director considers that as each other Director is receiving Shares and being granted a Loan under the Plan, they are unable to consider whether the exceptions set out in sections 210 to 216 of the Corporations Act apply in the current circumstances. Accordingly, Shareholder approval is sought for the issue of Shares and the grant of the associated loans to the Eligible Participants.

4.2 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed issue of Shares and the grant of the associated loans to the Eligible Participants:

- (a) the related parties are Dr Frazer Tabcart and Messrs Steven Michael and Nicholas Ong and they are related parties by virtue of being Directors; Given that Shareholder approval is being sought at the same time for

issues under the Plan to each of the Eligible Participants, they each have an interest in the issue of Shares to the other;

- (b) the maximum number of Shares (being a financial benefit to be provided) to be issued to the Eligible Participants (or their nominees) is:
 - (i) 50,000,000 Shares to Mr Steven Michael;
 - (ii) 30,000,000 Shares to Dr Frazer Tabear; and
 - (i) 30,000,000 Shares to Mr Nicholas Ong,each on the terms set out in section (k) below (**Plan Shares**);
- (c) the maximum amount of the Loans (each being a financial benefit to be provided) to be provided to the Eligible Participants (or their nominees) can be calculated by multiplying the number of Shares to be issued (determined in accordance with paragraph (b)) by the issue price (determined in accordance with paragraph (e)). Based on the last trading price of Shares before the date of this Notice (i.e. \$0.003), the amount of the Loans would be:
 - (i) \$148,500 to Mr Steven Michael;
 - (ii) \$89,100 to Dr Frazer Tabear; and
 - (iii) \$89,100 to Mr Nicholas Ong;
- (d) the Shares will be issued and the Loans will be granted to the Eligible Participants no later than 15 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued and Loans granted on one date;
- (e) the issue price of the Shares will be a 1% discount to the volume weighted average of the Company's Shares over the 5 days of trading on the ASX immediately prior to the issue of the Plan Shares, or such other price as the Board determines. For the purposes of details set out in this Notice, an issue price of a 1% discount to the volume weight average of the Company's Shares over the 5 days of trading on the ASX immediately prior to 15 September 2016 (being \$0.00297) has been assumed;
- (f) no funds will be raised from the issue of the Shares as there will be no change to the Company's cash position (i.e. the Loans made by the Company will be used to subscribe for the Shares to be issued to the Eligible Participants);
- (g) in 2015 the Company issued the following shares under the Plan at a price of \$0.0036 per Share:
 - (i) 30,000,000 Shares to Mr Steven Michael;
 - (ii) 25,000,000 Shares to Dr Frazer Tabear;
 - (ii) 12,500,000 Shares to Mr Nicholas Ong; and
 - (iii) 12,500,000 Shares to Mr Matthew Foy.

- (h) in 2014 the Company issued the following shares under the Plan at a price of \$0.00693 per Share:
- (i) 75,000,000 Shares to Mr Steven Michael;
 - (ii) 75,000,000 Shares to Dr Howard Carr;
 - (iv) 7,500,000 Shares to Mr Nicholas Ong; and
 - (v) 7,500,000 Shares to Mr Matthew Foy.
- (i) all Directors are entitled to participate in the Plan and approval is being sought to issue Shares to each of them under Resolutions 5 to 7;
- (j) the Shares issued to the Eligible Participants will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares, other than being subject to a holding lock until such time as the respective restriction conditions have been satisfied, including the completion of any restriction period, and any Loan has been extinguished or repaid under the terms of the Plan;
- (k) the Shares to be issued to each of Mr Michael, Mr Ong and Dr Tabearat will remain restricted until the later of the satisfaction of the milestones set out below (**Milestones**).

Achieving any of the Milestones below will vest 25% of the Plan Shares. Once a Milestone has been achieved it cannot be achieved again. Therefore, once four milestones have been achieved, 100% of the Plan Shares will vest. The time period for achieving any of the Milestones will be three years from the date of issue of the Plan Shares.

The Milestones attaching to the Plan Shares are as follows:

- (i) define a geochemical anomaly through rock chip or drill testing with the potential to host a resource as defined in Milestones 2 or 3 (**Milestone 1**);
- (ii) announce a JORC-compliance resource of 100,000oz of gold at a minimum grade of 1.0g/t Au (or equivalent for other metals) (**Milestone 2**);
- (iii) announce a JORC-compliance resource of 10,000 tonnes of lithium at a minimum grade of 1.0% Li₂O (**Milestone 3**);
- (iv) complete a pre-feasibility study on a resource estimate as defined in Milestones 2 or 3 (**Milestone 4**);
- (v) combined capital raising of \$2 million at an average issue price at least 75% of the 15-day VWAP prior to each issue (**Milestone 5**);
- (vi) market capitalisation of \$25 million for 20 consecutive trading days or 50 days in total (**Milestone 6**);
- (vii) total shareholder return exceeding +50% over a 12 month period ending 30 June 2017, 30 June 2018 or 30 June 2019 (**Milestone 7**); and

- (viii) continue to be an employee or Director of Segue until 31 December 2017 (**Milestone 8**).
- (l) the Loans will be provided on the following key terms and otherwise subject to the terms and conditions of the Plan, a summary of which is set out in Schedule 1:
- (i) (**limited-recourse**): the Loan is secured against the Shares but the Eligible Participant is not personally liable for the Loan. In other words, in the event the Shares are sold to repay the Loan but the sale proceeds are insufficient to cover the amount of the Loan which is outstanding the Company cannot recover the remaining amount from the Eligible Participant. Conversely, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as the Eligible Participant is entitled to the surplus proceeds;
- (ii) (**interest free**): the Loan will be interest free unless otherwise agreed by the Eligible Participant; and
- (iii) (**term**): 3 years from the date of issue of the Shares, subject to earlier repayment in accordance with the terms of the Plan;
- (m) details of any Shares issued under the Plan will be published in each of the Company's annual reports relating to a period in which Shares have been issued and approval for the issue of those Shares was obtained under ASX Listing Rule 10.14;
- (n) any additional person who becomes entitled to participate in the Plan after this Meeting and who has not been named in this Notice will not participate in the Plan until approval is sought under ASX Listing Rule 10.14;
- (o) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.006	21 July 2016
Lowest	0.001	7 April 2016
Last	0.003	15 September 2016

- (p) the relevant interests of the Eligible Participants in securities of the Company as at the date of this Notice are set out below:

Eligible Participants	Shares	Options
Mr Steven Michael	119,050,000	Nil
Dr Frazer Tabcart	25,000,000	Nil
Mr Nicholas Ong	22,750,000	Nil

- (q) the amounts paid from the Company to the Eligible Participants and their associates for the previous two financial years and current financial year to date are set out below:

Eligible Participants	2013/14	2014/2015	2015/2016
Mr Steven Michael	\$272,499	\$314,583	\$275,000
Dr Frazer Tabcart	Nil	\$30,181	24,000
Mr Nicholas Ong	\$7,645	\$30,420	24,000

- (r) if the maximum number of Shares are issued to the Eligible Participants, a total of 110,000,000 Shares would be issued. This will increase the number of Shares on issue from 3,111,070,242 to 3,221,070,242, (assuming that no Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.53%, comprising 1.60% for Mr Michael, 0.96% for Dr Tabcart and 0.96% for Mr Ong;
- (s) the primary purpose of the provision of the Loans to the Eligible Participants is to enable the Eligible Participants to subscribe for Shares and the primary purpose for the issue of the Shares to the Eligible Participants is to provide a performance linked incentive component in the remuneration package for the Eligible Participants to motivate and reward the performance of the Eligible Participants in their respective roles as Directors. In addition, by providing the Eligible Participants with a portion of their remuneration as Shares under the Plan, the Company retains that additional cash for use in other aspects of its operations;
- (t) the Board acknowledges the issue of Shares to Dr Tabcart and Mr Ong, who are non-executive Directors, is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the issue of Shares to Dr Tabcart and Mr Ong reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (u) Mr Steven Michael declines to make a recommendation to Shareholders in relation to Resolution 5 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 6 and 7, he recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the use of the Loans by each Eligible Participant to subscribe for Shares will align the interests of the Eligible Participants with those of Shareholders by creating a stronger link between performance resulting in increased Shareholder value and reward to the Eligible Participant. Each Eligible Participant will have a greater involvement with, and share in, any future growth and profitability of the Company; and
 - (ii) the provision of the Loans is a reasonable and appropriate method to provide benefits to the Eligible Participants as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash benefits were given to the Eligible Participants;
- (v) Dr Fazer Tabcart declines to make a recommendation to Shareholders in relation to Resolution 6 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5 and 7,

he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (u);

- (w) Mr Nicholas Ong declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 5 and 6, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (u);
- (x) the Directors consider that in providing the Loans to the Eligible Participants upon the terms proposed the following opportunity cost to the Company and benefits foregone by the Company may occur:
 - (i) no interest is payable on the Loans; and
 - (ii) the Loans are limited-recourse which means the full amount of the Loan may not be recovered where the Shares are sold for less than the amount outstanding on the Loan. In addition, where the sale proceeds are greater than the amount of the Loan the Company will not receive any additional repayment as the Eligible Participant is entitled to the surplus proceeds;
- (y) in forming their recommendations, each Director considered the experience of each other Eligible Participant, the existing and proposed contribution of each Eligible Participant to the Company and the current market practices when determining the provision of the Loans upon the terms proposed; and
- (z) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 5 to 7.

5. RESOLUTIONS 8 TO 10 – VARIATION TO MILESTONE TERMS ATTACHING TO SHARES HELD BY RELATED PARTIES

5.1 Background

At the general meeting of the Company held on 29 July 2015, Shareholders approved the provision of a limited-recourse, interest free loan (**Plan Loan**) to each of Dr Frazer Tabcart and Messrs Steven Michael and Nicholas Ong (**Related Parties**), for the purpose of subscribing for shares in the Company (**2015 Plan Shares**).

The Company has since issued the following 2015 Plan Shares to the Related Parties (as approved by Shareholders) subject to a holding lock until the relevant milestones set out below have been met:

	Director:	Steven Michael	Frazer Tabcart	Nicholas Ong
	Milestones	No. of Shares	No. of Shares	No. of Shares
1.	Identification of three (3) mafic/ultramafic intrusions with a	6 million	7.5 million	1.5 million

	geochemical signature fertile for nickel-copper sulphides.			
2.	Drill intersection of a fresh mafic intrusion hosting nickel-copper sulphides of at least 2m @ 1.5% Ni eq.	4.5 million	6.25 million	1.5 million
3.	Multiple drill holes (≥ 3) hosting nickel-copper sulphides indicating the potential for economic grades and tonnages.	4.5 million	6.25 million	1.5 million
4.	Completion of capital raising/s or farm-in joint ventures totalling \$4 million by no later than 31 December 2016.	9 million	2.5 million	4.5 million
5.	Completion of a sale or farm-out of non-core exploration assets totalling at least \$1 million by 31 December 2016.	6 million	2.5 million	3.5 million
	TOTAL	30 million	25 million	12.5 million

5.2 Joint Venture with MMG

Following the issue of the 2015 Plan Shares, and as announced on 18 September 2015, the Company entered into a joint venture agreement with MMG Exploration Pty Ltd, a wholly-owned subsidiary of international resources company, MMG Ltd (**MMG**), over eight (8) tenements at the Company's Plumridge Nickel Project (**Project**) in the Fraser Range Province, Western Australia (**MMG JV**).

Under the MMG JV, MMG can earn an initial 51% interest in the Project by spending \$6.5 million before 31 December 2019 (**Stage 1**), including \$1.5 million to be spent before 31 December 2016. Once MMG has met the Stage 1 requirements, MMG can elect to increase its interest by 19% (to 70%) through the additional expenditure of \$7.5 million within two (2) years (**Stage 2**). MMG must maintain all tenements in good standing during both Stage 1 and Stage 2.

5.3 Proposed Variation to Milestones

Whilst milestones 1 to 3 (**Original Milestones**) in the table in Section 5.1 above are still relevant in the discovery of an economic nickel deposit on the Project, as a result of the introduction of the MMG JV, the achievement of the Original Milestones are no longer within the control of the Company (as was originally contemplated) and the exploration strategy adopted by MMG may or may not result in the Original Milestones being achieved even if a discovery is made.

Pursuant to the Plan, the Board may elect, at its sole discretion, to waive any of the Original Milestones applying to a Participant's Plan Shares and permit the Participant to sell, transfer, assign, mortgage, charge or otherwise encumber the Participant's Plan Shares. However, to ensure both Shareholders and the Related Parties are not unfairly disadvantaged, the Company proposes to vary the Original Milestones to account for the exploration work to be undertaken by MMG on the Project pursuant to the terms of the MMG JV.

Other than allowing for the MMG JV as part of the milestones, the original intention for issuing the 2015 Plan Shares to the Related Parties remains the same. Furthermore, no additional Shares will be issued to the Related Parties as a result of the variation to the Original Milestones.

The Company therefore proposes to vary the Original Milestones as follows:

Original Milestones	Proposed Replacement Milestones
Identification of three (3) mafic/ultramafic intrusions with a geochemical signature fertile for nickel-copper sulphides.	Identification of a MLEM conductor or mafic/ultramafic intrusion considered fertile for nickel-copper sulphides.
Drill intersection of a fresh mafic intrusion hosting nickel-copper sulphides of at least 2m @ 1.5% Ni eq.	MMG completes the Stage 1 sole funding expenditure condition of \$1.5 million by 31 December 2016.
Multiple drill holes (≥ 3) hosting nickel-copper sulphides indicating the potential for economic grades and tonnages.	MMG meets the Stage 1 minimum exploration condition for 2017 by spending \$6.5 million before 31 December 2019, including \$1.5 million to be spent before 31 December 2016.

The Company advised in June 2016 that MMG had commenced a detailed Ground Moving Loop Electromagnetic (MLEM) survey at the Plumridge Nickel Project to test an initial portfolio of 10 target areas for a conductive response. As at the date of this Notice, MMG has not informed the Company that it has identified any conductor or mafic/ultramafic intrusion and there is no certainty that this will occur.

From the date of commencement of the MMG JV in September 2015 to 30 June 2016 MMG has spent approximately \$750,000 on exploration. While MMG is currently conducting the MLEM survey there is no certainty that the sole funding expenditure condition of \$1.5 million by 31 December 2016 will be met.

Whether MMG meets the Stage 1 minimum exploration condition for 2017 by spending \$6.5 million before 31 December 2019, will depend upon exploration success at the Plumridge Nickel Project and there is no certainty this expenditure condition will be achieved.

Dr Frazer Tabcart and Messrs Steven Michael and Nicholas Ong (together with their associates) will be precluded from voting on Resolutions 8 to 10 given their material personal interest in these resolutions.

GLOSSARY

\$ means Australian dollars.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company or Segue means Segue Resources Limited (ACN 112 609 846).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Participants has the meaning given in section 4.1 above.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Loan has the meaning given in section 4.1 of the Explanatory Statement.

Next Advancements means Next Advancements Pty Ltd (ACN 610 194 977)

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Plan means the employee share plan the subject of Resolutions 5 to 7 and as summarised in Schedule 1.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

WST means Australian Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – SUMMARY OF EMPLOYEE SHARE PLAN

The key terms of the Employee Share Plan are as follows:

- (a) **Eligibility:** Participants in the Scheme may be directors, employees or any other person whom ASIC allows to participate in the Plan without requiring compliance with Chapters 6D.2, 6D.3 (except section 736) and 7.9 of the Corporations Act, of the Company or any of its subsidiaries or any other related body corporate of the Company (**Eligible Participants**).
- (b) **Administration of Plan:** The Board is responsible for the operation of the Plan and has a broad discretion to determine which Eligible Participants will be offered Shares under the Plan.
- (c) **Invitation:** The Board may make an invitation to an Eligible Participant to participate in the Plan. The invitation:
 - (i) will invite application for the number of Shares specified in the invitation;
 - (ii) will specify the issue price for the Shares or the manner in which the Issue Price is to be calculated;
 - (iii) may invite applications for a loan up to the amount payable in respect of the Shares accepted by the Eligible Participant in accordance with the invitation;
 - (iv) will specify any restriction conditions applying to the Shares;
 - (v) will specify an acceptance period; and
 - (vi) specify any other terms and conditions attaching to the Shares.
- (d) **Issue price:** the issue price of each Share will be not less the volume weighted average price at which Shares were traded on the ASX over the 10 trading days up to and including the date of issue of the Shares offered under the Plan, or such other price as the Board determines.
- (e) **Renounceability:** Eligible Participants may renounce their Invitation in favour of an associate (the Eligible Participants and their associates are each **Participants**).
- (f) **Restriction Conditions:** Shares may be subject to restriction conditions relating to milestones (**Milestone Conditions**) (such as a period of employment) or escrow restrictions (**Escrow Conditions**) which must be satisfied before the Shares can be sold, transferred, or encumbered (**Restriction Conditions**). Shares cannot be sold, transferred or encumbered until any loan in relation to the Shares has been repaid or otherwise discharged under the Plan.
- (g) **Extension of Escrow Condition:** If an Eligible Participant ceases to be an Eligible Participant as a result of an occurrence other than certain bad leaver occurrences prior to the satisfaction of all Restriction Conditions, the escrow restriction applied under the Escrow Condition in relation to the Plan Shares held by the Participant will be extended by 6 months.
- (h) **Loan:** An Eligible Participant who is invited to subscribe for Shares may also be invited to apply for a loan up to the amount payable in respect of the Shares accepted by the Participant (**Loan**), on the following terms:

- (i) the Loan will be interest free unless the Company and the Participant agree otherwise;
 - (ii) the Loan made available to a Participant shall be applied by the Company directly toward payment of the issue price of the Shares;
 - (iii) the Loan repayment date will be 3 years following the issue of Shares under the Plan and the manner for making such payments shall be determined by the Board and set out in the invitation;
 - (iv) a Participant must repay the Loan in full by the loan repayment date but may elect to repay the Loan amount in respect of any or all of the Shares at any time prior to the loan repayment date;
 - (v) the Company shall have a lien over the Shares in respect of which a Loan is outstanding and the Company shall be entitled to buy-back, cancel or sell those Shares in accordance with the terms of the Plan;
 - (vi) a Loan will be non-recourse except against the Shares held by the Participant to which the Loan relates; and
 - (vii) the Board may, in its absolute discretion, agree to forgive a Loan made to a Participant.
- (i) **Unfulfilled Milestone Condition:** Where a Milestone Condition in relation to Shares is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, the Company may, unless the Milestone Condition is waived by the Board, either:
- (i) buy back and cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted;
 - (ii) cancel the relevant Shares within 12 months of the date the restriction condition was not satisfied or was waived (or became incapable of satisfaction) under Part 2J.1 of the Corporations Act in consideration for the cancellation of any Loan granted; or
 - (iii) in the event that such a buy-back or cancellation of Shares cannot occur, require the Participant to sell the Shares as soon as reasonably practicable either on the ASX and give the Company the sale proceeds (**Sale Proceeds**), which the Company will apply in the following priority:
 - (A) first, to pay the Company any outstanding Loan Amount (if any) in relation to the Shares and the Company's reasonable costs in selling the Shares;
 - (B) second, to the extent the Sale Proceeds are sufficient, to repay the Participant any cash consideration paid by the Participant or Loan Amount repayments (including any cash dividends applied to the Loan Amount) made by or on behalf of the Participant; and
 - (C) lastly, any remainder to the Company to cover its costs of managing the Plan.

- (j) **Sale of Shares to repay Loan:**
- (i) A Loan shall become repayable in full on the earlier of:
 - (A) 3 years following the issue of Shares under the Plan;
 - (B) the date determined under (ii) below;
 - (C) any Shares issued to the Participant in relation to the Loan being sold, transferred, assigned, mortgaged, charged or otherwise encumbered (unless any such actions were undertaken by or on behalf of the Company);
 - (D) the Participant suffering an event of insolvency;
 - (E) the Participant breaching any condition of the Loan or the Plan; or
 - (F) a Restriction Condition in relation to Shares subject to the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board (and is not waived).
 - (ii) In the event that the Eligible Participant to whom the invitation was made ceases to be an Eligible Participant, the date for repayment of the Loan under (j)(i)(B) will, subject to the Company buying back, cancelling or selling any Shares where the Eligible Participant ceases such a role for to certain bad leaver reasons (including acting fraudulently or dishonestly, being grossly negligent, demonstrating serious and wilful misconduct, or causing a material adverse effect on the reputation of the Company), be the later of:
 - (A) if all Restriction Conditions have been satisfied or waived, within 30 days;
 - (B) if a Milestone Condition in relation to Shares is not satisfied or waived, immediately. Such payment obligation shall be satisfied as set out in (i) above; or
 - (C) if all Milestone Conditions have been satisfied or waived, but the Escrow Condition has not been satisfied or waived, immediately upon satisfaction.
 - (iii) Where a Loan becomes repayable under (j), other than (i)(B) and at that time a Restriction Condition in relation to Shares subject to the Loan is not satisfied, or is incapable of being satisfied in the opinion of the Board (and is not waived), the Company may elect to buy-back or cancel in consideration for cancellation of the Loan or sell the Shares, with the Sale Proceeds being applied to repay the Loan in accordance the Plan.
 - (iv) Where a Loan in relation to Shares becomes repayable under (i)(D) or (E) or (ii)(A) and at that time Restriction Conditions in relation to the Shares have either been satisfied or are waived, the Company must give the Participant a 30 day period to repay the Loan, failing which the Company may buy-back, cancel or sell the Shares and, if sold, apply the Sale Proceeds in accordance with the Plan.
- (k) **Power of Attorney:** The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things

necessary to give effect to the sale of the Participant's Shares in accordance with the Plan.

- (l) **Restriction on transfer:** Other than as specified in the Plan, Participants may not sell or otherwise deal with a Share until the Loan Amount in respect of that Share has been repaid and any restriction conditions in relation to the Shares have been satisfied or waived. The Company is authorised to impose a holding lock on the Shares to implement this restriction.
- (m) **Quotation on ASX:** The Company will apply for each Share to be admitted to trading on ASX upon issue of the Share. Quotation will be subject to the ASX Listing Rules and any holding lock applying to the Shares.
- (n) **Rights attaching to Shares:** Each Share shall be issued on the same terms and conditions as the Company's issued Shares (other than in respect of transfer restrictions imposed by the Plan) and it will rank equally with all other issued Shares from the issue date except for entitlements which have a record date before the issue date.

APPOINTMENT OF PROXY FORM

SEGUE RESOURCES LIMITED
ACN 112 609 846

GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 11:00am WST, on 18 October 2016 at the Amberley Business Centre, Level 3, 1060 Hay St, West Perth WA 6005, and at any adjournment thereof.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Ratification of Prior Issue – Next Advancements Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of Prior Issue - Next Advancements Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Director Incentive Shares and approval of loan to Mr Steven Michael	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Director Incentive Shares and approval of loan to Dr Frazer Tabcart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Director Incentive Shares and approval of loan to Mr Nicholas Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Variation to milestone terms attaching to shares - Mr Steven Michael	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Variation to milestone terms attaching to shares - Dr Frazer Tabcart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Variation to milestone terms attaching to shares - Nicholas Ong	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Important for Resolutions 5 & 8

If you have not directed your proxy how to vote as your proxy in respect of Resolution 5 and 8 and the Chair is, or may by default be, appointed your proxy, you must mark the box below.

I/we direct the Chair to vote in accordance with his/her voting intentions (as set out above) on Resolutions 5 and 8 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolutions 5 and 8 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel and acknowledge that the Chair may exercise my/our proxy even if the Chair has an interest in the outcome of Resolutions 5 and 8 and that votes cast by the Chair for Resolutions 5 and 8, other than as proxy holder, will be disregarded because of that interest.

If the Chair is, or may by default be, appointed your proxy and you do not mark this box and you have not directed the Chair how to vote, the Chair will not cast your votes on Resolutions 5 and 8 and your votes will not be counted in calculating the required majority if a poll is called on Resolutions 5 and 8.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date: _____

Contact name: _____

Contact ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail: YES NO

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - (a) **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - (b) **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - (c) **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - (d) **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to the Company, PO Box 886, Claremont WA 6910;
 - (b) facsimile to the Company on facsimile number +61 8 9486 4799; or
 - (c) email to the Company at info@segueresources.com,

so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.