

25 October 2017

Dear Shareholder

Segue Resources Limited – pro-rata non-renounceable options entitlement issue

As announced on 25 October 2017, Segue Resources Limited (ACN (112 609 846)) (**Segue**) is undertaking a one (1) option for every four (4) shares pro rata non-renounceable entitlement issue (**Entitlement Issue** or **Offer**) of approximately 43,147,987 new listed options (**Option**) to acquire fully paid ordinary shares in the capital of the Company (**Share**) held by those Shareholders registered at the Record Date. The Options to be issued for \$0.01 per Option and exercisable at \$0.10 each on or before 31 December 2019. The Entitlement Issue will raise up to \$431,479. The Company lodged a prospectus for the Offer (**Prospectus**) with ASIC 24 October 2017.

Funds raised from the Offer will be issued for additional drilling at the Barlee Gold Project and exploration at the Pilbara Gold Project.

The Offer is being made to all shareholders of the Company (**Shareholders**) named on its register of members at 5pm WST on 30 October 2017, whose registered address is in Australia or New Zealand.

Shares issued upon the exercise of the Options will rank equally with all fully paid ordinary Shares in the capital of the Company already on issue.

Following completion of the Offer, the Company will have issued up to 43,147,987 Options resulting in the total number of options on issue increasing to 68,675,387.

A copy of the Prospectus is available on ASX's and Segue's website. Eligible Shareholders will be mailed a Prospectus together with an Entitlement and Acceptance Form no later than 2 November 2017. Your entitlement will be set out on the personalised Entitlement and Acceptance Form accompanying the Prospectus.

For the purposes of calculating each Eligible Shareholders' entitlement, fractions of entitlements have been rounded up to the nearest whole number of Options.

Actions required of Eligible Shareholders

There are a number of actions Eligible Shareholders may take:

- You may wish to accept all of your rights to subscribe for Options pursuant to the Prospectus (**Entitlement**). To take up all or some of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Advanced Share Registry Service (**Share Registry**) by no later than 2pm WST on 21 November 2017, by making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form or by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form.
- You may wish to accept part of your Entitlement. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up

is received by the Share Registry by no later than 2pm WST on 21 November 2017, by completing and returning your Entitlement and Acceptance Form by filling in the number of Options you wish to accept in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form (at \$0.01 per Option).

- You may do nothing. If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in the Company will be diluted and you will receive no value for your Entitlement.

Key dates for the Offer

Event	Proposed Date
Prospectus and Appendix 3B lodged with ASX Notification sent to option holders	25 October 2017
Notice of Entitlement Issue sent to security holders	26 October 2017
Existing shares quoted on an 'ex' basis	27 October 2017
Record date	30 October 2017
Despatch of Entitlement Issue Documents to Eligible Shareholders Offer Period Opens	2 November 2017
Offer Period Closes at 2pm WST	21 November 2017
Securities quoted on a deferred settlement basis.	22 November 2017
Notification of under-subscriptions to ASX (if any)	24 November 2017
Options Issued Holding statements despatched	28 November 2017

If you have any queries concerning the Entitlement Issue, or the action you are required to take to subscribe for Options, please contact your financial adviser or Mr Matthew Foy, Segue's Company Secretary, on +61 8 9383 3330.

Yours sincerely



Steven Michael
Managing Director