



ASX Code: **SEG**

26 March 2015

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

GRAVITY SURVEY IDENTIFIES NEW HIGH PRIORITY EXPLORATION TARGETS AT PLUMRIDGE NICKEL PROJECT

HIGHLIGHTS:

- Large-scale, multi-phase gravity survey nearing completion at the Plumridge Nickel Project.
- 3D inversion modelling has identified possible mantle tapping structures with near-surface dense bodies linked to deeper bodies which may represent feeder zones (magma chambers).
- Major zone of complexity has been identified which is interpreted as a “Transfer Graben Zone” that shows a major north-west trending corridor containing numerous sub-linear faults.
- A grouping of gravity targets within and immediately adjacent to the TGZ supports the interpretation of this being a focus of crustal scale magmatic activity.

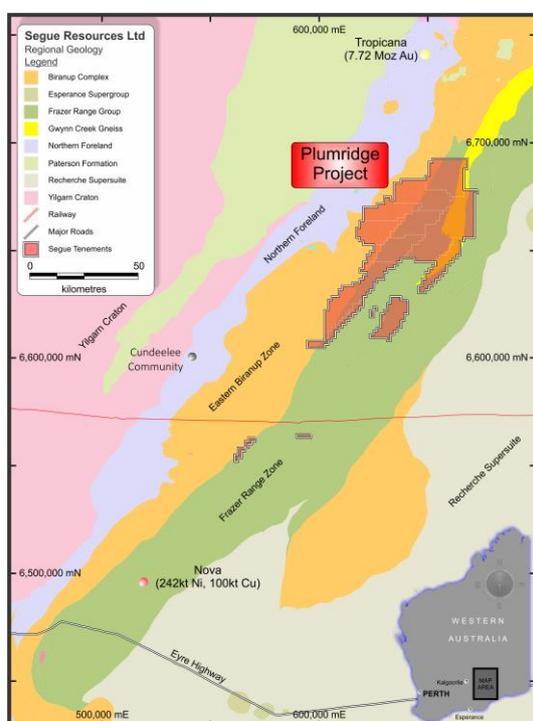


Figure 1: Plumridge Nickel Project Location Map

Key Facts:

Segue Resources Limited

ASX Code:	SEG
Share price (25/3/15):	0.6¢
52 week range:	0.2¢-1.8¢
Shares on issue:	2,026m
Market cap.:	\$12.2m
Cash at bank (31/12/14):	\$0.7m

Plumridge Nickel & Gold Project

Location:	Fraser Range, WA
Tenement holding (100%):	3,300km ²

Deralinya Nickel Project

Location:	Fraser Range, WA
Tenement holding (100%):	1,700km ²

Pardoo Nickel Project

Location:	Pilbara, WA
Tenement holding (100%):	330km ²

Segue Resources Limited (**Segue** or the **Company**) is pleased to provide an update on the current major phase of exploration at the Company's Plumridge Nickel Project in the Fraser Range Province, Western Australia (**Figure 1**).

This work is aimed at generating high priority exploration targets through the collection of project-wide, fundamental data sets. Segue is in the process of completing a detailed gravity survey over the entire Plumridge Project, comprising over 19,000 gravity stations. A detailed survey of the E21 Target area on a spacing of 800m x 100m is complete and the regional survey on a spacing of 1,600m x 100m is scheduled for completion by mid-April 2015.

The data is being imaged by the Company's geophysical consultants through 3D inversion modelling methods that can be readily viewed as a series of density iso-surfaces. The program was designed to:

- Provide insight into the tectonic architecture of the area to better understand likely mechanisms and pathways for large scale intrusive events of fertile mafic-ultramafic magmas;
- Identify gravity anomalies (dense bodies) in near surface positions that may represent mafic intrusions capable of hosting nickel sulphides. A particular focus will be given to dense bodies that are associated with ovoid magnetic features or major structural intersections that provide magma pathways to deeper feeder bodies; and
- Given the proliferation of graphitic schists throughout the region which can provide electromagnetic responses, the gravity modelling will provide a useful primary filter to remove the large number of false positive conductors, reducing costs to delineate drilling targets.

KEY RESULTS

The modelling and interpretation work undertaken on the gravity and magnetic data demonstrates that the gravity survey is meeting its stated aims. The 3D inversion models have led to a better understanding of the critical macro-scale controls that make the Plumridge Nickel Project a highly prospective exploration project whilst at the same time providing a key dataset that allows for a more informed next phase of "prospect scale" target generation. The key outcomes include:

- Confirmation of a major gravity high that "under-plates" the Plumridge Project. This is consistent with the existing regional gravity work (**Figure 2**);
- The geometry of this deep gravity high indicates the presence of crustal scale dislocations in the Fraser Range which have been interpreted to represent possible mantle tapping structures;
- The near-surface dense bodies are linked to much deeper dense bodies by a number of discordant pipe-shaped features which are interpreted to represent feeder zones between mafic to ultramafic magma chambers (**Figure 3**);
- A major zone of complexity has been identified which is interpreted as a "Transfer Graben Zone" (**TGZ**). This zone is reflected in the near surface magnetic data that clearly shows a major north-west trending corridor containing numerous sub-linear faults (**Figure 4a & 4b**);
- Intersections of sub-vertical faults (such as those in the TGZ) with the major thrust faults are likely to be preferential pathways for large-scale mantle derived magma chambers. These

have the potential to be the feeders for the higher-level intrusions that may host nickel-copper sulphide mineralisation;

- Preliminary 3D inversion modelling has identified a number of dense near-surface bodies, which may represent such mineralised mafic to ultramafic intrusions; and
- There appears to be a grouping of gravity targets within and immediately adjacent to the TGZ that supports the interpretation of this being a focus of crustal scale magmatic activity.

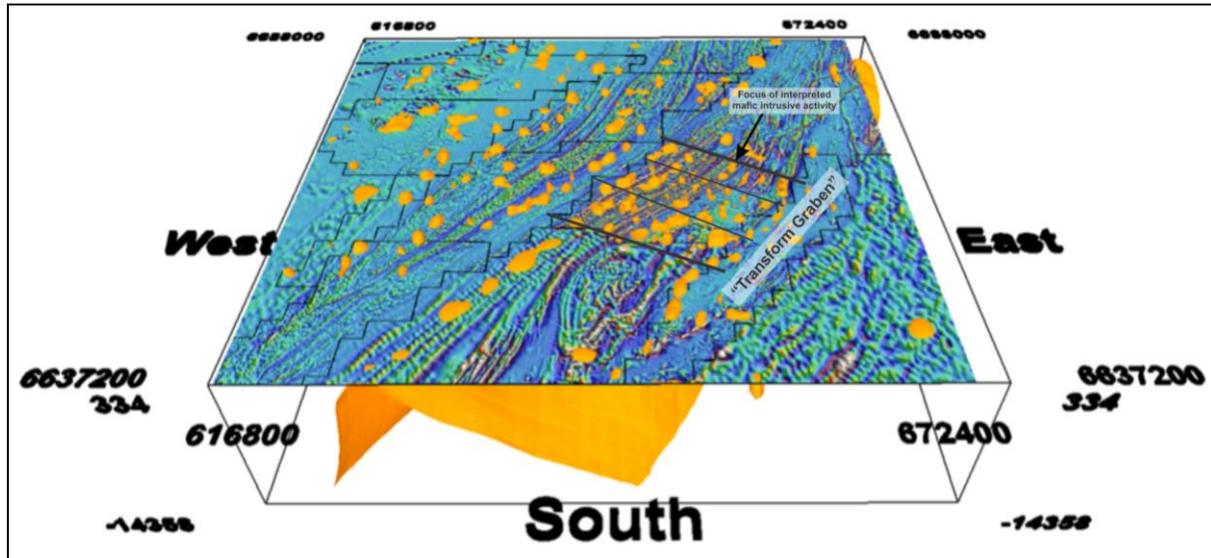


Figure 2: 3D Gravity Inversion (+1.0g/cc shell) with overlain magnetic image (RTP 1VD NE shade)

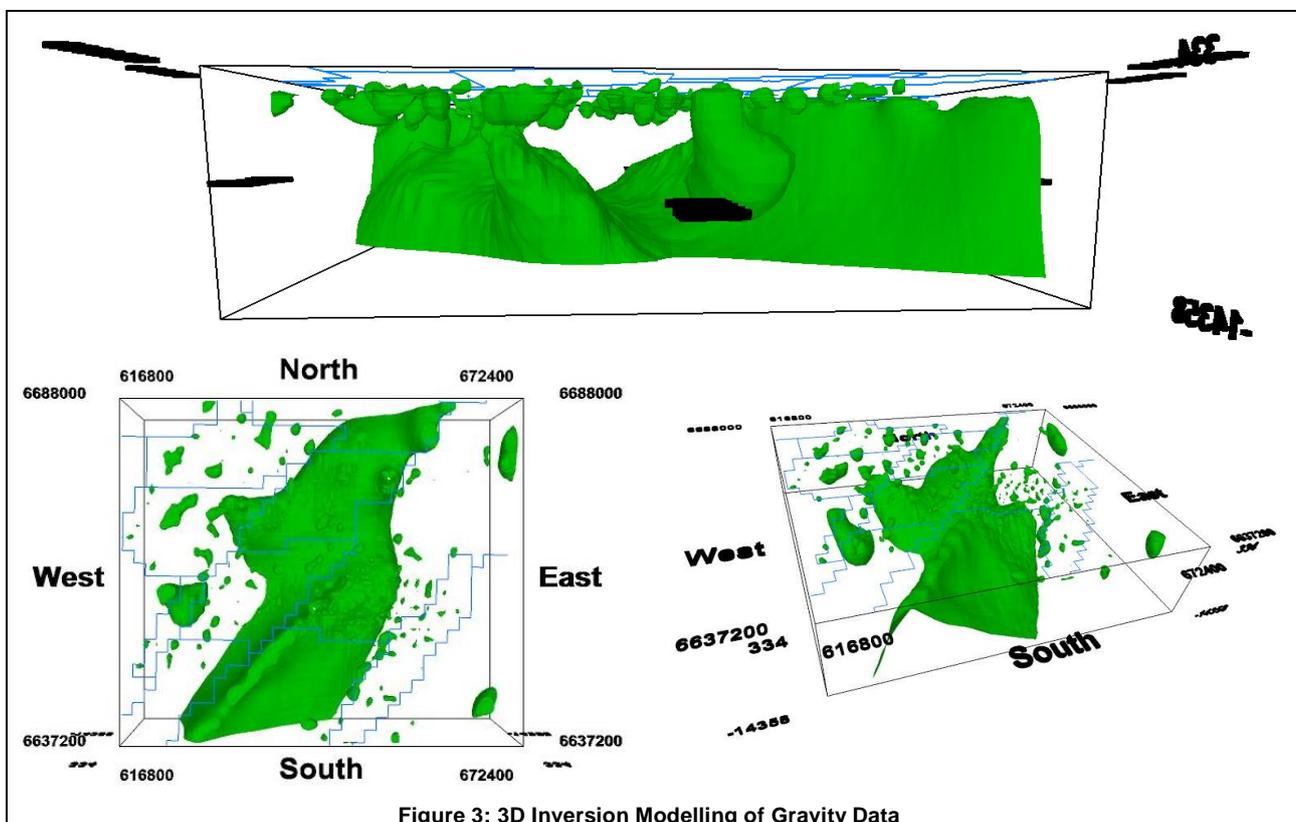


Figure 3: 3D Inversion Modelling of Gravity Data

Commenting on the gravity survey results, Segue’s Managing Director, Mr Steven Michael, said:

Segue has completed around 80% of the project-wide gravity survey with the initial modelling providing a major insight into the basement architecture of the Fraser Range. We have identified potential pathways for mantle tapping structures, magma chambers and feeder zones – which are necessary for the emplacement of nickel-copper sulphide deposits.

One of the most significant findings of the gravity survey is the identification of NW-SE trending deep-seated structures cross-cutting the main magnetic stratigraphy of the Fraser Complex. Segue has reprocessed its detailed magnetic data to highlight structures in this orientation with a major zone of complexity identified approximately 15km long, immediately to the west of the E21 Target.

The full gravity survey is expected to be completed in a few weeks with final modelling and interpretation to follow. However, the initial results are extremely positive and have already provided Segue with several high priority exploration targets for the next phase of work. It has also led to a re-evaluation of previous targets and has increased the priority of some of these targets.

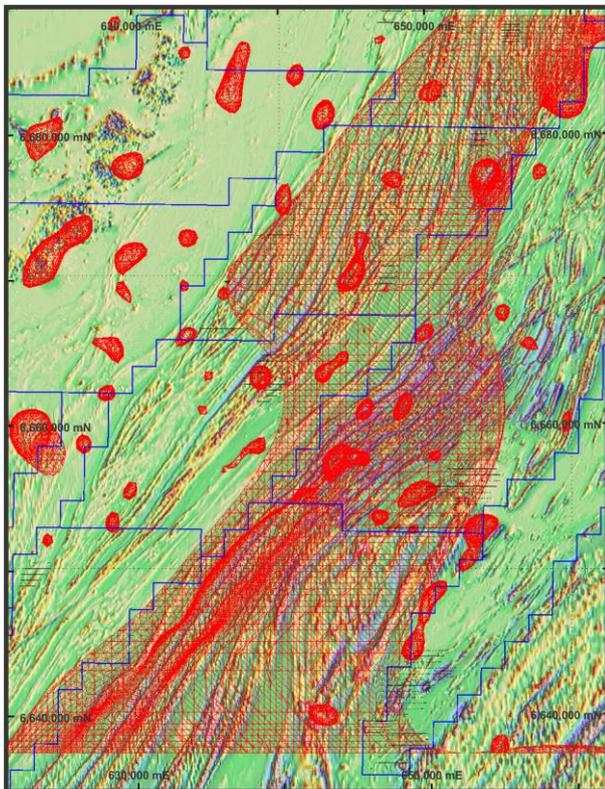


Figure 4a – 3D Gravity Inversion Model over magnetics (RTP 1VD NE Share)

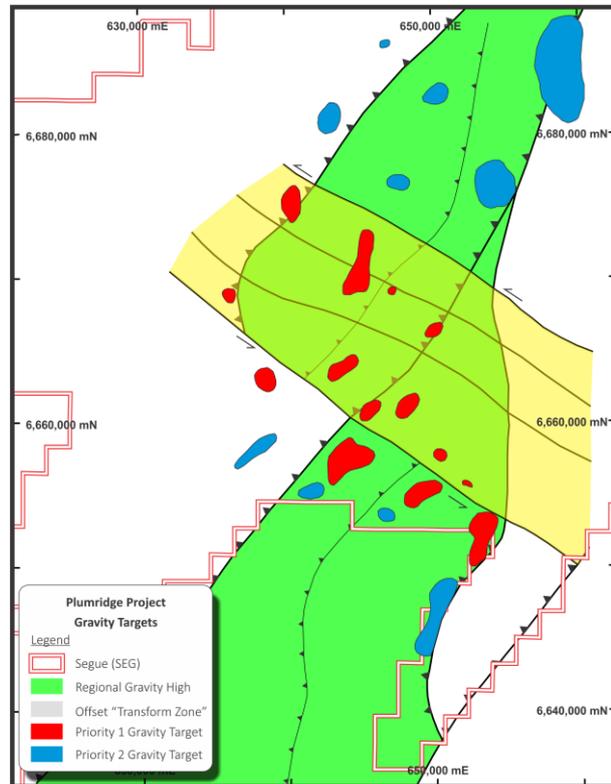


Figure 4b – Geological Interpretation of 3D Gravity Inversion Model

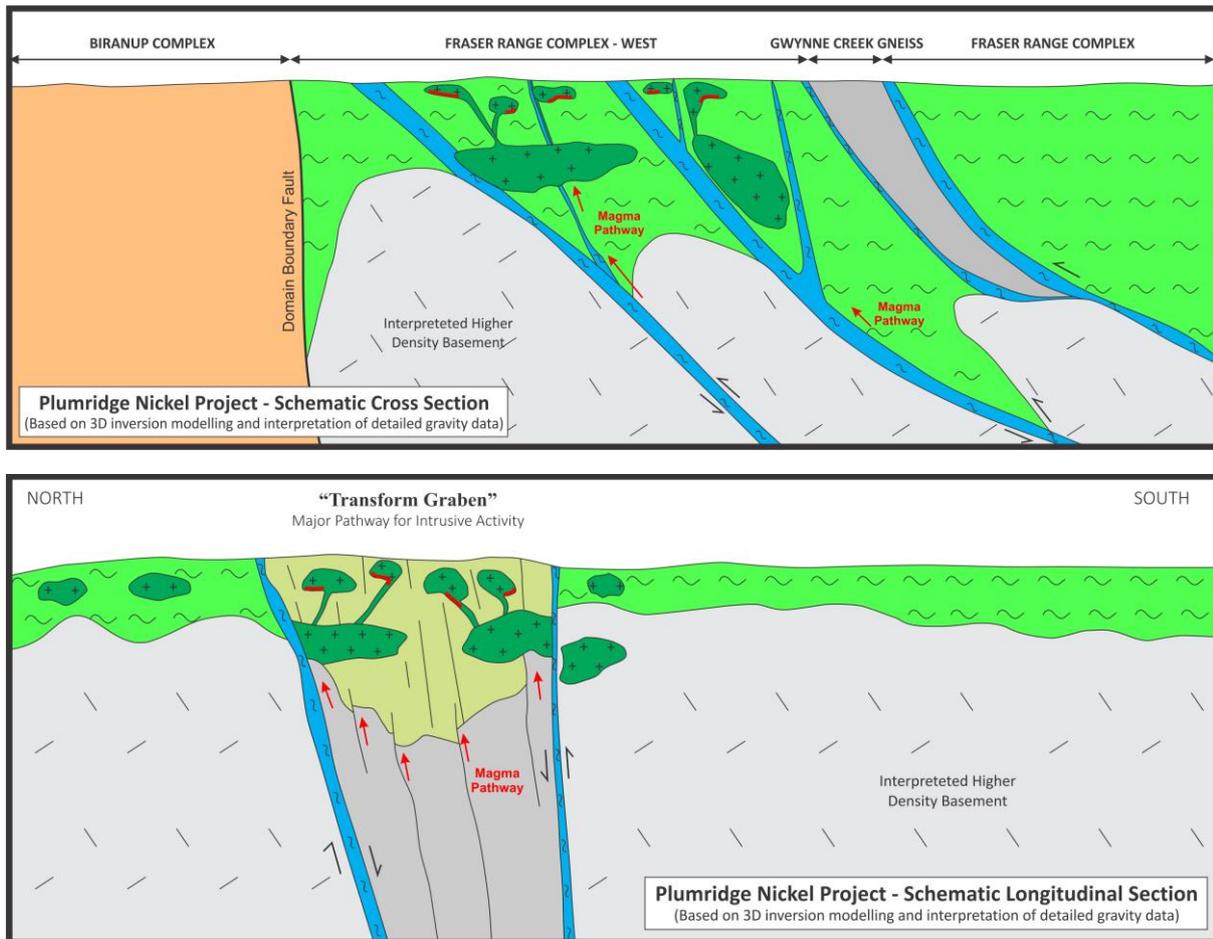


Figure 5a & 5b – Conceptual interpreted geology of the Fraser Range

HIGH PRIORITY TARGET GENERATION

The gravity dataset now provides critical support to the detailed magnetic data that Segue has previously collected, and allows for discrimination of targets prior to the application of more detailed electromagnetic or drilling techniques. The targeting process will now focus on identifying prospective magnetic features (domes, thrust faults, disruption of stratigraphy and magnetic destruction) that are associated with discrete gravity features that potentially represent mafic-ultramafic intrusions.

An initial assessment of the integrated gravity and magnetic data has identified a series of targets that will be further assessed in the immediate future. The key areas currently defined lie largely within or adjacent to the “Transfer Graben Zone”. Specific targets include (see **Figures 6 & 7**):

- Coincident magnetic and gravity features – a number of these targets also have aircore drilling that has confirmed the presence of mafic intrusive rocks (gabbro rocks); and
- A number of coincident magnetic-gravity targets that have poorly defined moving loop electromagnetic features present.

In each case these targets now present as early opportunities for the next phase of geophysical surveying and drill testing. These programs will be reported in more detail once the current gravity survey has been completed.

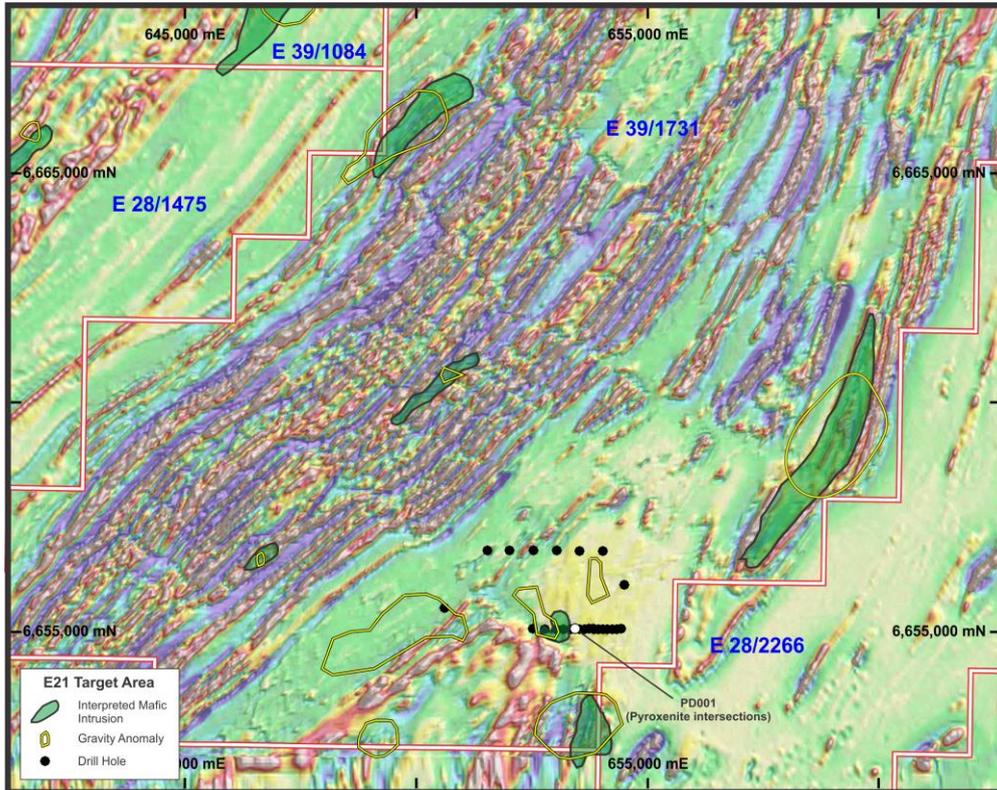


Figure 6: E21 Target and E39/1731 preliminary targets

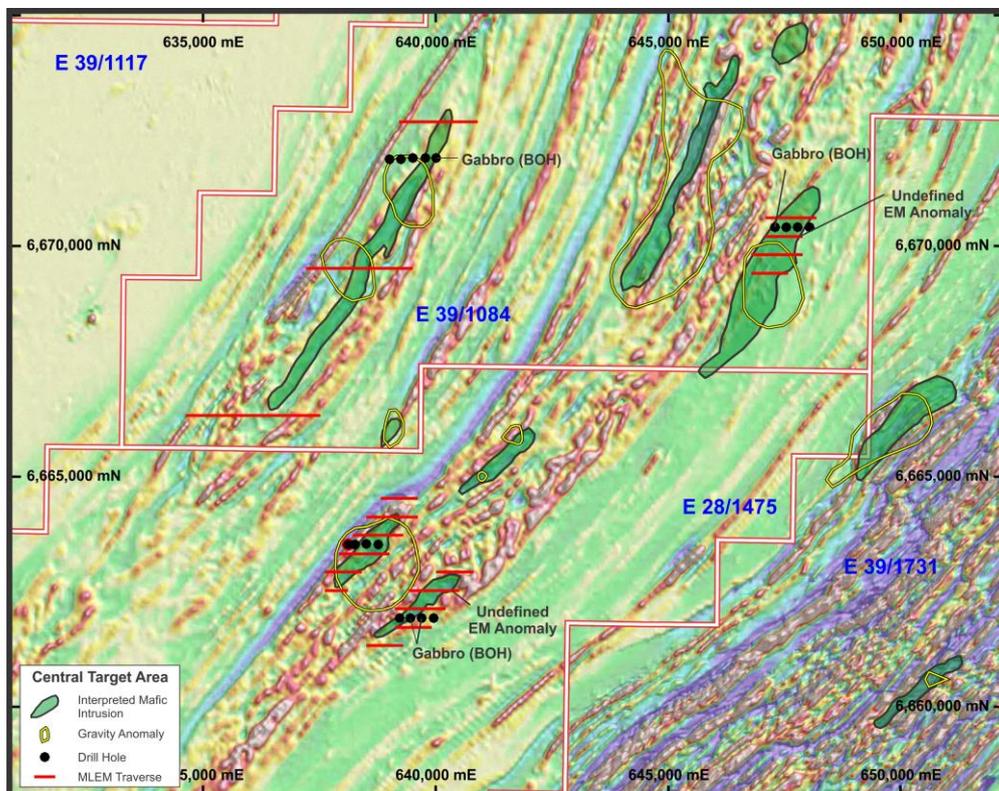


Figure 7: Central area preliminary targets

For further information visit or contact:

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Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr 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.

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	<ul style="list-style-type: none"> 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. 	<p>Ground based Gravity Survey on a 800x 100m grid (E21 target) and 1600x100m grid (Regional) with infill over areas of interest. The gravity survey is being undertaken by Atlas Geophysics Pty Ltd using Scintrex CG5 gravity meters with accuracies better than 0.01 mGal. Position and level data will be acquired with Leica GS14 receivers operating in post processed mode to give horizontal and vertical accuracies greater than 0.05m. GPS control points within the area will be established using the AUSPOS processing facility and static data recorded at 5 second epochs. Gravity control will be established via ties to local Atlas and AFGN stations. 3% of the survey will be repeated to ensure quality and integrity. Preliminary data will be delivered to the client for verification and infill planning every two days or as requested</p>
Location of data points	<ul style="list-style-type: none"> 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. 	<p>Locations will be measured with a Leica Viva GS14 GPS system, with xyz accurate to 1cm</p>
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<p>Line spacing for the survey will be either at 800m or 1600m (N-S) with sample spacing at 100m (E-W). It is anticipated that line spacing could come down to 200m and 50m station spacing during programs of infill surveying.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<p>Geological structure in the Fraser Range generally runs N-S, the survey being implemented reflects this with a relatively dense sample spacing (E-W) and wide line spacing (N-S)</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>All data is digitally stored by the contractor and relayed to the geophysical consultancy on a regular basis.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>Data will be audited by geophysical Consultants Newexco Pty. Ltd.</p>

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	Tenements E28/1475, E28/2266, E28/2267, E39/1084, E39/1117, E39/1118, E39/1709, E28/2317 & E39/1731 & E39/1710 are all owned by Segue (Plumridge) Pty. Ltd. a wholly owned subsidiary of Segue Resources Ltd. All tenements do not intersect any nature reserves, areas with native title or pastoral leases.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	No previous nickel copper exploration undertaken
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	Nova Style - Mafic -Ultramafic intrusion related Ni-Cu Sulphides
<i>Diagrams</i>	<ul style="list-style-type: none"> <i>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.</i> 	See text for Diagrams
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	RC-Diamond drilling of priority targets is anticipated for 2015 as well as stratigraphic regional aircore drilling.