
SEGUE RESOURCES LIMITED**ACN 112 609 846****NOTICE OF GENERAL MEETING**

TIME: 2:00pm WST

DATE: Wednesday, 29 July 2015

PLACE: Grey Door Room
Claremont Hotel
1 Bay View Terrace
Claremont WA 6010

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 2:00pm WST on Wednesday, 29 July 2015 at:

Grey Door Room
Claremont Hotel
1 Bay View Terrace
Claremont WA 6010

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 5:00pm WST on Monday, 27 July 2015.

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 – PLACEMENT 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 166,666,667 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 – ISSUE OF PLACEMENT OPTIONS

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 7.1 and for all other purposes, approval is given for the Company to issue up to 83,333,333 Options 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 person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed 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 – SHARE PURCHASE PLAN OFFER WITH OPTIONS

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

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 666,666,667 SPP Shares and up to 333,333,333 SPP Options to Shareholders who successfully apply for SPP Securities under the Company’s Securities Purchase Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company has been granted a waiver by ASX under Listing Rule 7.3.8 to permit any person who has an interest in Resolution 3 and ordinarily excluded from voting on Resolution 3 to vote, on condition that the Company excludes any votes cast on Resolution 3 by any proposed underwriter or sub-underwriter of the SPP (which there is none).

4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE

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 22,347,561 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 – RATIFICATION OF PRIOR ISSUE

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 2,000,000 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.

6. RESOLUTION 6 – RATIFICATION OF PRIOR ISSUE

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 27,042,027 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.

7. RESOLUTION 7 – 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 30,000,000 Shares as Director incentive remuneration and grant a loan of \$89,100 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.

8. RESOLUTION 8 – 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 25,000,000 Shares as Director incentive remuneration and grant a loan of \$74,250 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.

9. RESOLUTION 9 – 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 12,500,000 Shares as Director incentive remuneration and grant a loan of \$37,125 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.

Dated: 29 June 2015
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. BACKGROUND TO THE CAPITAL RAISING

On 22 June 2015, the Company announced a capital raising comprising:

- (a) a placement to raise up to \$500,000 (**Placement**); and
- (b) an offer to Eligible Shareholders via a Securities Purchase Plan to raise up to \$2,000,000 (**SPP Offer**),

(together, the **Capital Raising**).

The Company is seeking to raise up to a total of \$2,500,000 (before transaction costs) under the Capital Raising. The funds raised will be applied towards developing the Company's Plumridge Nickel Project in Western Australia. Specifically, the funds raised will be utilised to conduct:

- (a) modelling of detailed geophysical line data of high priority exploration targets;
- (b) aircore and/or RC drilling of 5-6 targets to confirm the presence of mafic-ultramafic intrusions;
- (c) geochemical and petrographic analysis of intrusive rocks to identify those with fertile chemistry for nickel sulphides; and
- (d) ground MLEM surveying and RC or diamond drill testing of the fertile targets to directly intersect nickel sulphide mineralisation.

The Company issued a total of 166,666,667 Shares (**Placement Shares**) on 24 June 2015 at an issue price of 0.3 cents per Share under the Placement to sophisticated and professional investors. The terms of the Placement provide that one (1) free attaching Option will be issued for every two (2) Shares subscribed for by investors (**Placement Options**).

The Placement Shares were issued under the Company's annual placement capacity. Resolution 1 seeks ratification of the issue of the Placement Shares. Resolution 2 seeks Shareholder approval for the issue of the Placement Options.

In conjunction with the Placement, the Company is providing an opportunity for Eligible Shareholders to participate in raising up to a further \$2,000,000 via a Securities Purchase Plan. Under the SPP Offer, Eligible Shareholders may each apply for up to \$15,000 of new Shares at an issue price of 0.3 cents each together with one (1) free attaching Option for every two (2) Shares subscribed for and issued, consistent with the Placement.

Shares and Options not taken up pursuant to the SPP Offer (**Shortfall Securities**) will form the shortfall (**Shortfall Offer**). The Company may also issue additional Securities under its annual placement capacity under ASX Listing Rule 7.1 as part of the Shortfall Offer. Eligible Shareholders may participate in the Shortfall Offer under the prospectus issued in connection with the Securities Purchase Plan. The Directors reserve the right to issue at their discretion any Shortfall Securities under the Shortfall Offer.

Resolution 3 seeks Shareholder approval for the issue of the SPP Shares and SPP Options (which successful applicants for SPP Shares apply for under the terms of the SPP Offer) to raise up to \$2,000,000.

2. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE – PLACEMENT SHARES

2.1 General

The Company issued the Shares the subject of the Placement without prior Shareholder approval pursuant to its 15% annual placement capacity. The issue of the Options under the Placement remains subject to Shareholder approval (and is the subject of Resolution 2).

Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Shares under the Placement.

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 this issue, 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.

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 1:

- (a) 166,666,667 Shares were issued;
- (b) the issue price per Share was 0.3 cents each;
- (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 sophisticated and professional investors none of which are related parties of the Company; and
- (e) the Company intends to use the funds raised from the Placement towards to further develop the Plumridge Nickel Project in Western Australia as outlined in Section 1 above.

3. RESOLUTION 2 – ISSUE OF PLACEMENT OPTIONS

3.1 General

As detailed in Section 1 of this Explanatory Statement, the Company undertook the Placement to raise approximately \$500,000 (before transaction costs).

Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 83,333,333 Options for nil cash consideration to subscribers for Shares under the Placement on the basis of one (1) free attaching Option for every two (2) Shares issued.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 2 will be to allow the Company to issue the Options pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company will offer the Placement Options under a prospectus.

3.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2:

- (a) the maximum number of Options to be issued is 83,333,333;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (c) the issue price of the Options will be nil as they will be issued free attaching to the Shares issued pursuant to the Placement on the basis of one (1) Option for every two (2) Shares issued;
- (d) the Options will be issued to the subscribers for Shares under the Placement the subject of Resolution 1;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1; and
- (f) no funds will be raised from the issue of the Options as the Options will be issued for nil cash consideration on a free attaching basis.

4. RESOLUTION 3 – SHARE PURCHASE PLAN OFFER WITH OPTIONS

4.1 General

As detailed in Section 1 of this Explanatory Statement, the Company is providing an opportunity for Eligible Shareholders to participate in the SPP Offer.

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of SPP Shares and SPP Options under the SPP Offer.

The SPP Offer will be conducted on the same terms as the Placement enabling Eligible Shareholders to subscribe for Shares at 0.3 cents per Share (**SPP Shares**) together with the issue of one (1) free attaching Option granted for every two (2) Shares subscribed for under the SPP Offer (**SPP Options**) up to a total subscription limit of \$15,000 per Eligible Shareholder. Eligible Shareholders will also be given the opportunity to apply for Shortfall Securities pursuant to the Shortfall Offer.

The SPP Offer will be made pursuant to a prospectus.

The Company has obtained a waiver from ASX under Listing Rule 7.3.8 to enable Shareholders to vote in relation to Resolution 3 notwithstanding that they may be successful applicants for SPP Shares under the SPP Offer. The outcome of the waiver application was advised by way of an ASX announcement prior to the date of the General Meeting.

A summary of ASX Listing Rule 7.1 is set out in Section 2.1 above.

The effect of Resolution 3 will be to allow the Company to issue the Shares and Options pursuant to the SPP Offer (including any Shortfall Securities under the SPP Offer) during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the maximum number of SPP Shares to be issued is 666,666,667 and the maximum number of SPP Options to be issued is 333,333,333;
- (b) the SPP Shares and SPP Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the SPP Shares and SPP Options will occur progressively;
- (c) the issue price will be 0.3 cents per SPP Share and the SPP Options will be issued free attaching to the SPP Shares on the basis of one (1) Option for every two (2) Shares issued;
- (d) the SPP Shares and SPP Options will be issued to Shareholders who successfully apply for SPP Shares under the SPP Offer. None of these Shareholders will be related parties of the Company;
- (e) the SPP Shares issued 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;
- (f) the SPP Options will be issued on the terms and conditions set out in Schedule 1; and
- (g) the Company intends to use the funds raised from the SPP Offer towards:
 - (h) modelling of detailed geophysical line data of high priority exploration targets;
 - (i) aircore and/or RC drilling of 5-6 targets to confirm the presence of mafic-ultramafic intrusions;
 - (j) geochemical and petrographic analysis of intrusive rocks to identify those with fertile chemistry for nickel sulphides; and
 - (k) ground MLEM surveying and RC or diamond drill testing of the fertile targets to directly intersect nickel sulphide mineralisation.

5. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE

5.1 General

On 27 January 2015, the Company issued 22,347,561 at an issue price of 0.492¢ under its ASX Listing Rule 7.1A capacity.

Resolution 4 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 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.

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 27 November 2014) without the requirement to obtain prior Shareholder approval.

5.2 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 4:

- (a) 22,347,561 Shares were issued;
- (b) the issue price was 0.492¢ 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 Acuity Capital Pty Ltd (**Acuity**) pursuant to the Controlled Placement Agreement entered into on 19 September 2014 and to Omni GeoX (**Omni**) as a partial reinvestment of geological consulting fees paid by Segue to Omni. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used to fund the exploration at the Plumridge Nickel Project in the Fraser Range Province of Western Australia.

6. RESOLUTIONS 5 & 6 – RATIFICATION OF PRIOR ISSUES

6.1 General

On 8 April 2015, the Company issued 29,042,027 Shares at an issue price of 0.555¢ per Share. Of these amounts, the Company issued 2,000,000 Shares under its ASX Listing Rule 7.1 capacity and 27,042,027 under its ASX Listing Rule 7.1A capacity.

Resolution 5 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 7.1 capacity and Resolution 6 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 capacity.

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.

Summaries of ASX Listings Rule 7.1A and 7.4 is set out in section 5.1 above.

By ratifying this issue, 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 and up to the 10% additional placement capacity set out in ASX Listing Rule 7.1A (as approved by Shareholders on 27 November 2014) without the requirement to obtain prior Shareholder approval.

6.2 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 5 and 6:

- (a) under Resolution 5, Shareholder approval is being sought for the ratification of the issue of 2,000,000 Shares;
- (b) under Resolution 6, Shareholder approval is being sought for the ratification of the issue of 27,042,027 Shares;
- (c) the issue price was 0.555¢ per Share;
- (d) 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;
- (e) the Shares were issued to Acuity pursuant to the Controlled Placement Agreement entered into on 19 September 2014 and to Omni as a partial reinvestment of geological consulting fees paid by Segue to Omni. None of these subscribers were related parties of the Company; and;
- (f) the funds raised from this issue were used to fund the exploration at the Plumridge Nickel Project in the Fraser Range Province of Western Australia.

7. RESOLUTIONS 7 TO 9 – ISSUE OF DIRECTOR INCENTIVE SHARES AND APPROVAL OF LOANS TO RELATED PARTIES

7.1 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.

7.2 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) 30,000,000 Shares to Mr Steven Michael;
 - (ii) 25,000,000 Shares to Dr Frazer Tabcart; and
 - (i) 12,500,000 Shares to Mr Nicholas Ong,

each on the terms set out in section (j) below;

- (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. \$0.00297), the amount of the Loans would be:
 - (i) \$89,100 to Mr Steven Michael;
 - (ii) \$74,250 to Dr Frazer Tabcart; and
 - (iii) \$37,125 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 25 June 2015 (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) the Company has issued the following shares previously 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;
 - (ii) 7,500,000 Shares to Mr Nicholas Ong; and
 - (iii) 7,500,000 Shares to Mr Matthew Foy.
- (h) all Directors are entitled to participate in the Plan and approval is being sought to issue Shares to each of them under Resolutions 7 to 9;
- (i) 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;

- (j) the Shares to be issued to each of Mr Michael, Mr Ong and Dr Tabearth will remain restricted until the later of the satisfaction of the milestones set out below:

Director:	Steven Michael	Frazer Tabearth	Nicholas Ong
Milestone	No. of Shares	No. of Shares	No. of Shares
Identification of three (3) mafic/ultramafic intrusions with a geochemical signature fertile for nickel-copper sulphides	6 million	7.5 million	1.5 million
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
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
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
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

- (k) 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 2:
- (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;
- (l) 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;

- (m) 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;
- (n) 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	0.018	22 August 2014
Lowest	0.003	22 June 2015
Last	0.003	25 June 2015

- (o) 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	89,050,000	Nil
Dr Frazer Tabcart	Nil	Nil
Mr Nicholas Ong	10,250,000	Nil

- (p) 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	2012/13	2013/14	2014/2015
Mr Steven Michael	\$272,499	\$272,499	\$314,583
Dr Frazer Tabcart	Nil	Nil	\$30,181
Mr Nicholas Ong	\$36,000	\$7,645	\$30,420

- (q) if the maximum number of Shares are issued to the Eligible Participants, a total of 67,500,000 Shares would be issued. This will increase the number of Shares on issue from 2,250,524,175 to 2,318,024,175, (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 2.99%, comprising 1.33% for Mr Michael, 1.11% for Dr Tabcart and 0.55% for Mr Ong;
- (r) 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;
- (s) 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;

- (t) Mr Steven Michael 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 8 and 9, 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;
- (u) Dr Fazer Tabearit declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 7 and 9, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (t);
- (v) Mr Nicholas Ong declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. However, in respect of Resolutions 7 and 8, he recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (t);
- (w) 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;
- (x) 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

- (y) 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 7 to 9.

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.

Capital Raising has the meaning given to it in Section 1.

Chair means the chair of the Meeting.

Company 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 7.1 above.

Eligible Shareholders means a Shareholder as at the record date of 5pm (WST) on 19 June 2015 whose address on the register is in Australia or New Zealand.

Explanatory Statement means the explanatory statement accompanying the Notice.

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

Loan has the meaning given in section 7.1 of the Explanatory Statement.

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

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement has the meaning given to it in Section 1.

Placement Option has the meaning given to it in Section 1.

Placement Share has the meaning given to it in Section 1.

Plan means the employee share plan the subject of Resolutions 7 to 9 and as summarised in Schedule 2.

Prospectus means the prospectus to be issued by the Company in connection with the SPP Offer and the offer of the Placement Options.

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.

Securities Purchase Plan means the Company's securities purchase plan for the SPP Offer.

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

Shareholder means a registered holder of a Share.

Shortfall Offer has the meaning given to it in Section 1.

Shortfall Securities has the meaning given to it in Section 1.

SPP Offer has the meaning given to it in Section 1.

SPP Options means options to be issued free attaching to the SPP Shares on the basis of one (1) Option for every two (2) Shares issued to subscribers under the SPP Offer and otherwise defined in Section 4.1.

SPP Shares means the offer of up to 666,666,667 Shares to be offered under the SPP Offer and otherwise defined in Section 4.1.

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

SCHEDULE 1 – TERMS AND CONDITIONS OF PLACEMENT OPTIONS AND SPP OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph Schedule 1(i), the amount payable upon exercise of each Option will be \$0.01 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 July 2017 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph Schedule 1(g)(i) or Schedule 1(g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after

becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(a) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(b) **Transferability**

The Options are transferable subject to the Constitution, any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 2 – 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 2:00pm WST, on 29 July 2015 at the Grey Door Room, Claremont Hotel, 1 Bay View Terrace, Claremont, WA 6010, 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 – Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Issue of Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Share Purchase Plan Offer with Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Prior Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Prior Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Ratification of Prior Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of Director Incentive Shares and approval of loan to Mr Steven Michael	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Issue of Director Incentive Shares and approval of loan to Dr Frazer Tabcart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Issue of Director Incentive Shares and approval of loan to Mr 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 Resolution 7

If you have not directed your proxy how to vote as your proxy in respect of Resolution 7 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 Resolution 7 (except where I/we have indicated a different voting intention above) and expressly authorise that the Chair may exercise my/our proxy even though Resolution 7 is 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 Resolution 7 and that votes cast by the Chair for Resolution 7, 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 Resolution 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 7.

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.

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