ASX Release

segue RESOURCES LTD

30 April 2012

ASX Code: SEG

The Manager, Company Announcements Office
ASX Limited
Exchange Centre,
20 Bridge Street, Sydney NSW 2000

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2012

MARCH QUARTER HIGHLIGHTS

- **Maiden inferred resource of 14mt @ 25% Mn and 12% Fe including 4mt @ 34% Mn and 11% Fe**
- **South African Board and management team strengthened**
- **Pardoo Joint Venture restructured**
- **Completed a capital raising of $2.1m to progress the Emang Manganese Project**

Emang Manganese Project, South Africa (Segue earning up to 51%)

Maiden JORC Inferred Resource

During the quarter Segue Resources Limited (**Segue** or the **Company**) announced a maiden inferred resource at the Emang Manganese Project in South Africa of 14 million tonnes at 25% Mn and 12% Fe. The resource is based on the results of 62 reverse circulation and nine (9) diamond drill holes across the Northern, Central, Southern and Hills Areas. The majority of the resource at the Emang Manganese Project is within 50 metres of surface and commences from surface in many areas.

Table 1 – JORC Inferred Resource for Emang Manganese Project[1,2]

Resource Area	Tonnes (Mt)	Mn%	Fe%	P_2O_5%	SiO_2%	Al_2O_3%	% of Total
Northern Area	6.8	22.2	10.3	0.08	14.1	9.9	49%
Central Area	3.3	27.8	16.4	0.08	8.4	7.6	24%
Southern Area	2.4	24.9	11.5	0.10	11.4	11.7	17%
Hills Area	1.4	28.9	6.5	0.13	13.2	15.3	10%
Total Inferred Resource	**13.9**	**24.6**	**11.5**	**0.09**	**12.2**	**10.2**	**100%**

1. Full details of the resource classification and procedures are in Appendix A.
2. Cut-off grade for the Emang Global Resource is 20% Mn.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

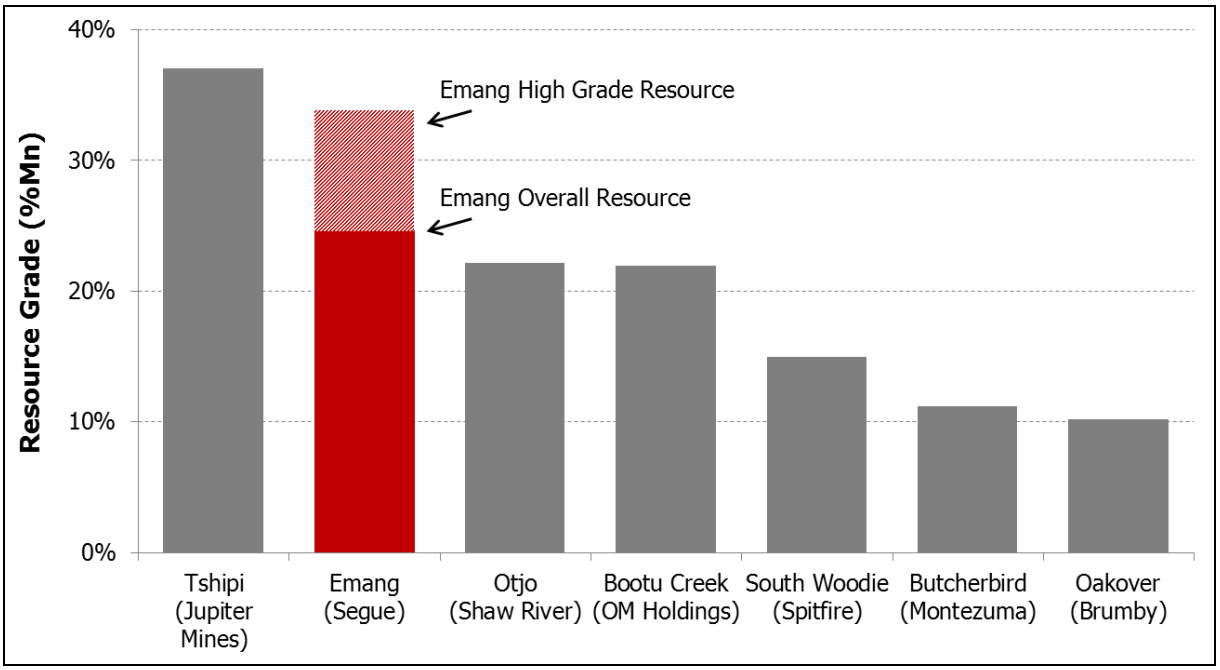
Contained within the global resource is a high grade resource of 4 million tonnes at 34% Mn and 11% Fe. The high grade resource has the potential to provide over seven (7) years of ore feed at 500,000 tonnes per annum. The majority of the high grade resource is within the Central and Southern Areas, which included reverse circulation drill hole intersections of up to 5.0m @ 40.5% Mn from 27.0m (MPR67) and 5.0m @ 34.1% Mn from 43.0m (MPR35).

Table 2 – High Grade JORC Inferred Resource for Emang Manganese Project[1,2]

Resource Area	Tonnes (Mt)	Mn%	Fe%	P_2O_5%	SiO_2%	Al_2O_3%	% of Total
Northern Area	0.8	32.0	9.2	0.11	7.8	9.8	22%
Central Area	1.4	35.6	15.6	0.08	4.9	7.7	37%
Southern Area	1.0	32.2	9.7	0.10	7.6	10.7	26%
Hills Area	0.6	35.5	6.7	0.10	9.6	10.4	15%
High Grade Resource	**3.7**	**33.9**	**11.3**	**0.09**	**7.0**	**9.3**	**100%**

1. Full details of the resource classification and procedures are in Appendix A.
2. Cut-off grade for the Emang High Grade Resource is 30% Mn.

Figure 1 – Emang Resource Grade Comparison



Source: Company Reports

The Initial Drilling Programme focussed on areas of outcropping manganese mineralisation located in close proximity to rail, power and water infrastructure. The area drilled covers around 20% of the total Prospecting Right with manganese mineralisation intersected in 80% of all drill holes and most intersections starting less than 15 metres below surface.

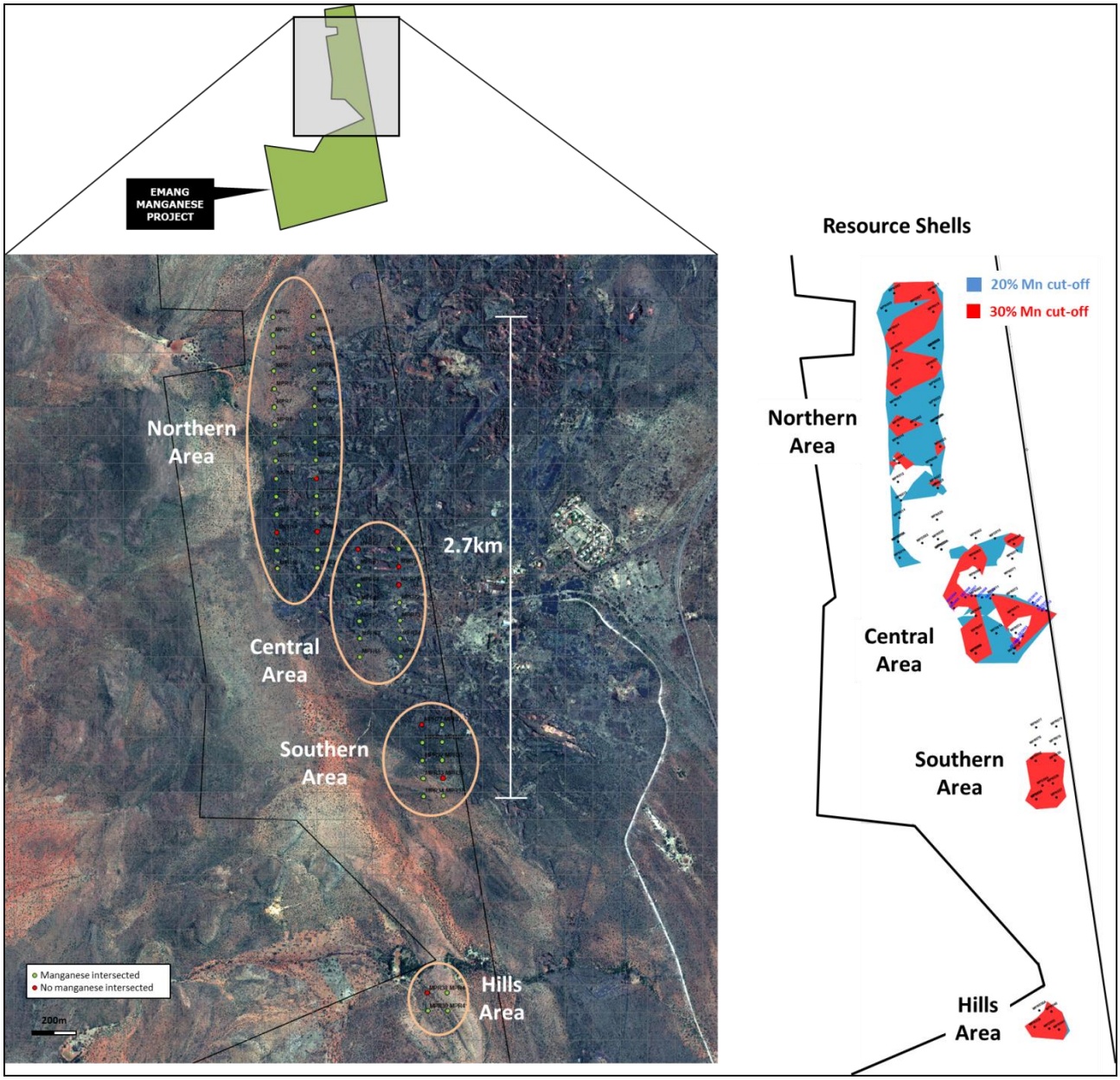
The majority of the resource at the Emang Manganese Project lies within 30 metres of surface and is likely to be amenable to shallow open pit mining with a low waste to ore ratio. Figure 2 shows the location of the reverse circulation drill holes completed in the Initial Drilling Programme and the resource shells for both the overall and high grade resources.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Figure 2 – Resource Outline and Drill Collar Locations



Phase 2 Exploration Programme and Exploration Targets

Segue's exploration programme for Phase 2 at the Emang Manganese Project is focussed on increasing the size of the overall resource to 15-20 million tonnes at 24-28% Mn and 11-12% Fe and to increase the high grade resource to 5-10 million tonnes at 34-38% Mn and 11-12% Fe.

In order to identify areas of high grade mineralisation and better define bedrock topography, Segue will commence a geophysical survey across the Northern, Central, Southern and Hills Areas. Following the geophysical survey, Segue will be able to plan the drill collar locations for the Phase 2 drilling programme to provide the maximum increase in inferred resource and also potentially increase the resource classification in some areas.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Initial Metallurgical Testwork

As part of the Initial Drilling Programme, a Metallurgical Study Report was prepared by Process Consulting & Engineering (**ProConsult**) of South Africa who specialise in the design of metallurgical process flowsheets and the selection of suitable process equipment for specific applications.

ProConsult completed pilot plant testwork based on a one (1) tonne sample consisting of reverse circulation drill chips from the Emang Manganese Project. The testwork involved crushing and screening to 12mm, 2mm and 1mm, with dense medium separation (**DMS**) tests performed on the 12mm to 2mm fraction, jigging of the 2mm to 1mm fraction and spiralling of the -1mm fraction.

Using a DMS plant and a density cut off of 3.00t/m^3, ProConsult was able to increase the manganese grade by almost 30% from 21.0% Mn to 26.9% Mn. Manganese grades were also increased in the concentrates produced from jigging (+16%) and spiralling (+11%). Table 3 shows the results of the three metallurgical testwork procedures.

Table 3 – Initial Metallurgical Testwork Results

	DMS	Jigging	Spiralling
Size fraction	**-12mm to +2mm**	**-2mm to +1mm**	**>1mm**
Head grade	21.0% Mn	24.7% Mn	26.5% Mn
Concentrate grade	26.9% Mn	28.6% Mn	29.4% Mn
Manganese grade increase	**+28%**	**+16%**	**+11%**
Mass yield to concentrate	80.5%	68.0%	
Recovery	**95.3%**		

The results show that jigging (gravity separation) has the potential to serve as a primary concentration step with around one third of the feedstock being rejected with very little loss of contained manganese. Also, jigging may be used to provide an elevated and consistent manganese grade in the feed stream to a DMS plant, which is the optimum condition for efficient DMS plant operation.

Separation of the high density minerals from the low density minerals in the Emang manganese mineralisation can be achieved via both gravity (jigging and spiralling) and dense medium separation techniques. Jigging may be used to produce a final saleable product or as a primary concentration step prior to dense medium separation. Segue plans on using freshly mined material from test pits for the Phase 2 metallurgical testwork to provide a more accurate representation of future mined material.

Export Infrastructure Alternatives

Segue has entered into preliminary discussions with various infrastructure and transport providers in the Northern Cape Province, to establish alternative scenarios for transporting manganese from the Emang Manganese Project to ports around South Africa and then to potential customers in China, Korea, Japan and India.

The options being reviewed include traditional rail and road transport from Postmasburg to Port Elizabeth (South Africa's largest manganese bulk export terminal) as well as the use of standard shipping containers to transport manganese to several ports, including Port Elizabeth, Coega (Ngqura) and Durban. Segue is considering the total cost of transport (from mine to port and port to customer) and available volume of each alternative scenario.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

South African Board and Management Strengthened

During the quarter, Segue announced that Mr Robert van Zyl had joined the Board of Segue as Commercial Director. Segue also hired Mr Nikolas Rhodes as Project Manager and Mr Deon Pieterse as Consulting Geologist. Mr van Zyl, Mr Rhodes and Mr Pieterse are all based in South Africa. The new appointments significantly enhance Segue's South African capability and will be instrumental in moving the Emang Manganese Project from the exploration phase to project development.

Mr van Zyl has over 10 years' experience in the financial services industry, the last five (5) of which has been focused on the resource sector. He has a Bachelor of Commerce (Honours) in management accounting from the University of Stellenbosch and a double Master of Business Administration degree from Pontificia Universidad Catolica de Chile and McCombs School of Business, University of Texas.

In 2007 Mr van Zyl co-founded Opes Capital, a niche corporate finance and resource investment firm based out of Johannesburg, South Africa. He has lead numerous transactions in Sub-Saharan Africa including acquisitions and disposals of significant mining projects, raising of exploration and mine development funding for green and brown field mining projects, resource specific regulatory and compliance advisory for South African and cross border transactions.

Mr Rhodes has 25 years' experience in the global mining sector, having worked on mining projects in South Africa, Fiji, Zambia, DRC and India. He has a Bachelor of Science (Mining Engineering) from the University of Witwatersrand, South Africa.

Mr Rhodes worked in South Africa for Johannesburg Consolidated Investments (JCI) on deep level gold mines adjacent to Johannesburg (Randfontein Estates, Western Areas, South Deep). In 1999 Mr Rhodes left South Africa to gain international experience and worked for Emperor Gold Mines in Fiji, Mopani Copper Mines in Zambia, Kinsenda Copper Mine in the Democratic Republic of Congo and for Hindustan Zinc Ltd as Operations Manager overseeing production at all shafts at the Zawar Mines complex in India. Mr Rhodes returned to South African in 2009 and has provided mining engineering consultancy services to Anglo Platinum on the Twickenham Mine Project until joining Segue in February 2012.

Mr Pieterse is a registered Professional Geologist with the South African Council for Natural Scientific Professions, a Member of the South African Geological Society and an Engineering Geologist registered with the South African Institute of Engineering Geologists. He has a Bachelor of Science (Geology) and a Bachelor of Science (Honours) in Engineering Geology from the University of Pretoria in South Africa.

Mr Pieterse has extensive experience in exploration planning, budgeting, geological mineral resource management and heading up geological departments for mines in production. He has structured several transactions with international and local companies for investment into the South African mining industry, including advising and structuring transactions with South African Black Economic Empowerment Partners.

Pardoo Project, Western Australia

Pardoo Nickel and Base Metal Project (Segue 100%, subject to farm-in)

Subsequent to the quarter, Segue has agreed to restructure the terms of the Pardoo Joint Venture agreement with Red October Resources Limited (**Red October**). The Pardoo Joint Venture covers the nickel and non-iron ore rights over four (4) tenements in the Pilbara region of Western Australia. Segue currently owns 100% of these tenements.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Under the revised farm-in agreement, Red October may earn a 50% interest in the Project as follows:

1. A 30% interest can be earned by spending a minimum of $1.0 million on the Project within two (2) years from the date of re-instatement of Red October to trading on the ASX (**Commencement Date**), with a minimum spend of $250,000 on the Project by the earlier of six (6) months from the Commencement Date or 31 December 2012; and

2. Once a 30% interest is earned, then a further 20% (to a total of 50%) interest in the Project can be earned by spending a further minimum total amount of $2.0 million on the Project within four (4) years from the Commencement Date.

Subject to approval of Red October shareholders, and in consideration for agreeing to the revised farm-in agreement, Red October will issue Segue 11,250,000 ordinary shares in Red October. Segue currently owns 15,000,000 ordinary shares in Red October.

Pardoo Iron Ore Project (Segue 100%)

No exploration activity was conducted on the Pardoo Iron Ore Project during the quarter.

Corporate and Financial

During the quarter, Segue raised $2.079 million (before costs) through the issue of 69.3 million shares at $0.03 per share to sophisticated and institutional investors. The placement was completed within the Company's 15% placement capacity under ASX Listing Rule 7.1.

The Company's cash balance at 31 March 2012 was $1.7 million.

At the end of the quarter, the Company had 531,348,756 shares on issue and 11,800,000 options (exercisable at $0.051 on or before 8 November 2014) outstanding.

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

Segue Resources Limited
Mr Steven Michael (Managing Director)
T: +61 8 9486 4699
E: info@segueresources.com

Competent Persons Statement
The information in this report that relates to South African Mineral Resources and Exploration Targets is based on information reviewed by Mr Awie Pretorius who is a full time employee of Sphynx Consulting and is appointed as Independent Geologist to Tenure Minerals Consultants project team. Mr Pretorius is registered by the South African Council for Natural Scientific Professions as a Professional Natural Scientist in the field of practice of Geological Science, Registration Number 400060/91. Mr Pretorius has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pretorius consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Appendix A – Mineral Resource Parameters

Sphynx Consulting was employed to compile the resource statement from the data gathered during Phase 1 of the exploration on the Emang Manganese Project. The following is a summary of the resource statement compiled by Awie Pretorius of Sphynx Consulting.

Geology Modelling

The lithological logs showed a sequence of quartzites, shales, manganiferous formation and dolomites. The manganese orebody generally occurs just above the contact with the footwall dolomite. The drill hole data supplied was used in order to construct the following surfaces as digital terrain maps:

- Surface
- Bottom contact of the Quartzite
- Bottom contact of the Shale (top contact of manganiferous zone)
- Top contact of the dolomite (bottom contact of manganiferous zone)

Modelling limits
The geological and orebody model was constrained along each section by terminating it at a distance of 50 metres (down dip and up dip) from the last borehole. Along strike the model extend for 50 metres beyond the first and last section line.

Orebody modelling
A lower-grade orebody grade shell, was created based on Mn values greater than or equal to 20%. The orebody top and bottom contacts were established using this 20% Mn cut-off value. On a number of section lines a Higher grade zone (Mn greater than or equal to 30%) was observed included within the lower grade zone. For both grade shells the orebody top and bottom was constructed as two separate digital terrain map surfaces and the volume between was filled with blocks. The parent block size was 50m x 50m x 0.5m high.

Data validation
Tenure Mineral Consultants (Pty) Ltd selected ALS Minerals in Vancouver Canada to perform the bulk of the analysis work and Stewart Inspection and Analysis to perform the analysis of check samples.

The ALS laboratory has an ISO 17025 accreditation.

QA/QC Data Analysis
Tenure Mineral Consultants (Pty) Ltd supplied the requested QA/QC outputs from their Sable database. Sphynx Consulting recompiled and analysed the data in a spreadsheet. Sphynx have reviewed the assay data with regard to accuracy and repeatability. At this stage the QA/QC quality is acceptable for the resource classification quoted below.

Density Determinations

A total of 468 gas pycnometer density determinations were performed by ALS laboratory. The mean density is indicated as 3.69. This method may overestimate the densities due to the fact that it cannot account for pore spaces in the rock. Sphynx Consulting has opted to use a density of 3.6 for the resource calculation.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Geostatistical evaluation

Prior to the geostatistical evaluation the input data was checked again and the following was done:

- Assay data checked for duplicate holes. None were found.
- Assay data checked for negative values. None were found.
- Assay data checked for zero values and set to absent values. None were found.
- Data composited into 0.5m intervals.

Variography

The semivariogram for Mn% was generated from a combined data set (high grade and low grade). Fe%, CaO%, MgO%, SiO_2% Al_2O_3% and P_2O_5% were interpolated by means of the Inverse-Distance method.

Grade Interpolation

Ordinary kriging and Inverse-Distance was used in the interpolation process. The grade interpolation was done separately for the high grade zone and the low grade zone and then added to form a single block model for the two areas.

Mineral Resources

The following table gives an estimate of the Mineral resources as per grade zone. A density factor of 3.6t/m^3 was used in the tonnage determination. At this point in time the mineral resources are classified as JORC compliant inferred resources.

Inferred Resource	Mt	Mn%	Fe%	P_2O_5%	SiO_2%	Al_2O_3%	Ca0%	MgO%	Mn:Fe
Global Resource	13.937	24.64	11.54	0.09	12.17	10.23	0.88%	0.91%	2.14
High Grade Resource	3.694	33.87	11.31	0.09	6.97	9.35	0.74%	0.75%	2.99

Conclusion/Recommendation

The current resource classification at inferred is largely due to the uncertainty introduced by the unknown nature of the Dolomite pinnacles in the bedrock.

Competent Person

Awie Pretorius of Sphynx Consulting has more than 20 years' experience in the mining and exploration industry. He is registered by the South African Council for Natural Scientific Professions as a Professional Natural Scientist in the field of practice of Geological Science, Registration Number 400060/91, and as such is considered to be a Competent Person. He does not have any material interest, direct, indirect or contingent neither in Tenure Mineral Consultants (Pty) Ltd, nor in the mineral properties included in this report, nor in any other Tenure Mineral Consultants (Pty) Ltd asset. Fees for the preparation of this report are being charged at commercial rates. Payment of these fees is in no way contingent upon the conclusions reached in the report.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Appendix B – Manganese Assay Results (RC Holes)

Hole No	Area	Co-ordinates		Manganese Intersection			Grade (Mn%)
		Easting	Northing	From (m)	To (m)	Width (m)	
MPR2	Northern	698780	6893500	31.0	37.5	**6.5**	**25.5**
			incl.	31.0	32.0	**1.0**	**44.8**
			incl.	34.0	35.5	**1.5**	**31.7**
MPR4	Northern	698780	6893300	10.0	12.0	**2.0**	**29.4**
			and	13.0	17.0	**4.0**	**29.7**
			incl.	15.0	17.0	**2.0**	**38.2**
MPR5	Northern	698780	6893200	21.0	24.0	**3.0**	**28.9**
MPR6	Northern	698780	6893100	14.0	23.0	**9.0**	**22.7**
			incl.	15.0	18.0	**3.0**	**32.6**
MPR7	Northern	698780	6893000	18.0	23.0	**5.0**	**31.8**
			and	25.0	26.0	**1.0**	**28.6**
MPR8	Northern	698780	6892900	25.0	36.0	**11.0**	**22.3**
			incl.	25.0	27.0	**2.0**	**30.3**
			incl.	29.0	30.0	**1.0**	**32.5**
MPR9	Northern	698780	6892800	0.0	6.0	**6.0**	**25.5**
			incl.	0.0	4.0	**4.0**	**27.5**
			and	8.0	9.0	**1.0**	**35.3**
			and	11.0	13.0	**2.0**	**16.6**
			and	17.0	19.0	**2.0**	**16.5**
MPR11	Northern	698780	6892600	0.0	6.0	**6.0**	**28.5**
			and	8.0	12.0	**4.0**	**16.3**
			incl.	10.0	12.0	**2.0**	**19.2**
MPR16	Northern	698780	6892100	7.0	10.0	**3.0**	**25.6**
			and	12.0	13.0	**1.0**	**31.9**
MPR17	Northern	698980	6893500	26.0	27.0	**1.0**	**22.2**
			and	30.0	32.0	**2.0**	**32.2**
MPR18	Northern	698980	6893400	15.0	20.0	**5.0**	**22.2**
			incl.	18.0	20.0	**2.0**	**32.6**
			and	23.0	26.0	**3.0**	**23.3**
MPR20	Northern	698980	6893200	8.0	16.0	**8.0**	**21.9**
			and	20.0	22.0	**2.0**	**17.6**
MPR21	Northern	698980	6893100	20.0	28.0	**8.0**	**23.9**
			incl.	20.0	22.0	**2.0**	**36.2**
			incl.	23.0	25.0	**2.0**	**27.9**
MPR24	Northern	698980	6892800	0.0	2.0	**2.0**	**24.0**
			and	4.0	8.0	**4.0**	**16.2**
			incl.	6.0	8.0	**2.0**	**20.3**

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799

Hole No	Area	Co-ordinates		Manganese Intersection			Grade (Mn%)
		Easting	Northing	From (m)	To (m)	Width (m)	
MPR27	Northern	698980	6892500	0.0	12.0	**12.0**	**25.7**
			incl.	0.0	6.0	**6.0**	**28.6**
			incl.	10.0	12.0	**2.0**	**31.1**
MPR34	Southern	699480	6890800	32.0	48.0	**16.0**	**25.9**
			incl.	32.5	34.5	**2.0**	**46.4**
			incl.	43.0	48.0	**5.0**	**34.1**
MPR35	Southern	699580	6891000	30.0	34.0	**4.0**	**27.1**
			incl.	30.0	31.0	**1.0**	**42.4**
			incl.	32.0	33.0	**1.0**	**32.8**
			and	35.0	37.0	**2.0**	**22.9**
MPR37	Southern	699580	6890800	63.0	77.0	**14.0**	**21.9**
			incl.	66.0	68.0	**2.0**	**31.0**
			incl.	70.0	73.0	**3.0**	**27.0**
MPR40	Hills Area	699580	6889700	54.0	66.0	**12.0**	**22.8**
			incl.	58.0	61.0	**3.0**	**31.1**
			incl.	62.0	62.5	**0.5**	**32.2**
			incl.	65.0	66.0	**1.0**	**33.5**
MPR41	Hills Area	699580	6889600	43.0	45.5	**2.5**	**27.5**
			and	48.0	61.0	**13.0**	**26.3**
			incl.	49.5	51.5	**2.0**	**39.3**
MPR63	Central	699180	6892100	24.0	25.0	**1.0**	**35.4**
			and	27.0	30.0	**3.0**	**32.0**
MPR67	Central	699180	6891700	21.0	28.0	**7.0**	**34.1**
			incl.	23.0	28.0	**5.0**	**40.5**
MPR68	Central	699180	6891600	20.0	22.0	**2.0**	**30.6**
			and	24.0	30.0	**6.0**	**23.4**
			incl.	27.0	30.0	**3.0**	**32.0**
			and	32.0	34.0	**2.0**	**27.1**
			incl.	32.0	33.0	**1.0**	**38.0**

Note: All holes drilled vertically.

Level 8, St Georges Square
225 St Georges Tce
Perth, WA 6000

PO Box 7653,
Cloisters Square
Perth WA, 6850

T +61 (8) 9486 4699
F +61 (8) 9486 4799