



ASX Code: **SEG**

30 July 2013

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

## QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 JUNE 2013

### JUNE QUARTER HIGHLIGHTS

- **Agreement finalised for the sale of the Emang Manganese Project for A\$2.1 million**
- **Loan facilities increased and term extended**

### Emang Manganese Project, South Africa

During the quarter, Segue Resources Limited (**Segue** or the **Company**) announced that it had agreed to sell its 30% interest in the Emang Manganese Project to its joint venture partner, Emang Mmogo Mining Resources (Pty) Ltd (**Emang Mmogo**) for R19.8 million (A\$2.13 million<sup>1</sup>).

Segue's shareholders unanimously approved the sale at a Meeting of Shareholders on 24 July 2013.

The sale proceeds will be used to repay the Company's outstanding loan facilities of \$825,000. Post the conclusion of the transaction, Segue's assets will comprise of:

- 100% interest in four exploration licences in the Pardoo region of Western Australia, prospective for iron ore and base metals;
- 5.3% of White Eagle Resources (ASX: WEG); and
- Cash of approximately \$1.3 million.

Segue is considering new opportunities in the resources sector, with a focus on advanced stage exploration projects in Australia and Africa.

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<sup>1</sup> Based on an exchange rate of A\$1=R9.35 as at 26 April 2013.

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

During the quarter, Segue's joint venture partner in the Pardoo Nickel and Base Metal Project, White Eagle Resources Limited (**White Eagle**) undertook a review of historical exploration data to highlight areas of mineral prospectivity on a regional scale. The review highlighted several regional exploration targets and recommended that a detailed geological interpretation be performed within the tenement area in an attempt to define specific predictors at a local scale.

The Pardoo Joint Venture Farmin Agreement with White Eagle expired at 30 June 2013 as White Eagle had not been reinstated to trading on the ASX. Segue is currently in discussions with White Eagle in relation to entering into a revised agreement over the Pardoo tenements and will advise the market accordingly once agreement has been reached.

### **Pardoo Iron Ore Project, Western Australia (Segue 100%)**

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

## **Corporate and Financial**

### **Extension of Loan Facilities**

During the quarter, Segue Resources announced it had secured an increase to its existing loan facilities by \$75,000 for working capital purposes. The increased loan facility is on the same terms as the existing loans and the maturity date is 31 July 2013. In addition, the repayment date of the existing loan facilities has been extended until 31 July 2013.

### **Board Changes**

Following the completion of the sale agreement between Segue and Emang Mmogo, Segue's two South African directors, Mr Ian Benning and Mr Rob van Zyl resigned as directors of the Company.

Subsequent to the quarter the Company advised that Mr Matthew Foy has joined the Board as Non-Executive Director. Mr Foy is Segue's Company Secretary and has five years' experience in facilitating the compliance of listed companies. Mr Foy is a member of Chartered Secretaries Australia, has a Graduate Diploma (Applied Finance) from FINSIA and a B.Com from the University of Western Australia.

### **Share Capital**

At the end of the quarter, the Company had 547,662,798 shares on issue. The Company also has 11,800,000 options exercisable at \$0.051 on or before 8 November 2014 and 25,000,000 options exercisable at \$0.01 on or before 18 February 2018 outstanding.

For further information visit [www.segueresources.com](http://www.segueresources.com) or contact:

**Segue Resources Limited**

Mr Steven Michael (Managing Director)

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# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**SEGUE RESOURCES LTD**

ABN

49 112 609 846

Quarter ended ("current quarter")

30 June 2013

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (12 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(50)	(661)
(b) development	-	-
(c) production	-	-
(d) administration	(91)	(652)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	5
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	-	-
1.7 Other		
(a) GST/VAT	8	112
(b) Exploration expenditure recovered	-	168
<b>Net operating cash flows</b>	<b>(141)</b>	<b>(1,036)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(5)
1.11 Loans repaid by other entities	-	33
1.12 Other exploration and evaluation expenditure	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>28</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(141)</b>	<b>(1,008)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(141)	(1,008)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	333	1,083
1.17	Repayment of borrowings	(250)	(250)
1.18	Oversubscription from issue of shares, options, etc.	-	-
1.19	Other (costs of issue)	-	(26)
	<b>Net Financing Cash Flows</b>	83	807
	<b>Net increase (decrease) in cash held</b>	(58)	(201)
1.20	Cash at beginning of quarter/year to date	92	234
1.21	Exchange rate adjustments to Item 1.20	-	1
1.22	<b>Cash at end of quarter</b>	34	34

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	106
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

Explanation necessary for an understanding of the transactions

Payment of Directors Fees \$93,625.

Payments made to Minerva Corporate Pty Ltd for the provision of directors fees, consultancy, administrative and tenancy related services of \$15,684. Nicholas Ong is both a director of Minerva Corporate Pty Ltd and a director of Segue Resources Limited. This figure includes \$3,000 of directors fees also noted in the \$93,625 total above.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

## Financing facilities available

add notes as necessary for an understanding of the position

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	833	833
3.2 Credit standby arrangements	-	-

## Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	110
<b>TOTAL</b>	<b>110</b>

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	11	-
5.2 Deposits at call	3	73
5.3 Bank overdraft	-	-
5.4 Other – Security Deposit	20	19
<b>Total: cash at end of quarter (item 1.22)</b>	<b>34</b>	<b>92</b>

## Changes in interests in mining tenements

	Tenement Reference	Nature of Interest [note (4)]	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-

## Issued and quoted securities at end of current quarter

*Description includes rate of interest and any redemption or conversion rights together with prices and dates*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preferences securities</b> <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions	-	-	-	-
7.3 <b>Ordinary securities</b>	547,662,798	547,662,798	-	-
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks	-	-	-	-
7.5 <b>Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted	-	-	-	-
7.7 <b>Options</b> <i>Directors/consultants</i>	11,800,000	-	<i>Exercise price</i> \$0.051	<i>Expiry date</i> 8 November 2014
7.8 Issued during quarter <i>Consultants</i>	25,000,000	-	\$0.01	18 February 2018
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		
7.12 <b>Unsecured notes</b> <i>(totals only)</i>	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: (lodged electronically)..... Date: 30 July 2013

(Company Secretary)

Print name: Matthew Foy

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
  - 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
  - 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
  - 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
  - 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.
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