SEGUE
RESOURCES LTD

ACN 112 609 846

NOTICE OF GENERAL MEETING

TIME: 9.00AM

DATE: 8 SEPTEMBER 2006

PLACE: UNIT 9, 36 ORD STREET, WEST PERTH, WESTERN AUSTRALIA

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 9322 2711

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The General Meeting of the Shareholders of Segue Resources Limited which this Notice of Meeting relates to will be held at 9.00am on 8 September 2006 at:

Unit 9, 36 Ord Street, West Perth, Western Australia.

YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and:

(a) send the proxy form by post to Segue Resources Limited, GPO Box 2815, Perth, Western Australia 6001; or

(b) send the proxy form by facsimile to the Company on facsimile number 61 8 9322 7577;

so that it is received not later than 9.00 am (WST) on 6 September 2006.

Proxy forms received later than this time will be invalid.

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Shareholders of Segue Resources Limited will be held at Unit 9, 36 Ord Street, West Perth, Western Australia at 9.00am (WST) on 8 September 2006.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 9.00am on 6 September 2006. Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

AGENDA

1. RESOLUTION 1- APPROVAL TO ENTER INTO FARMIN AGREEMENT

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 11.4 and for all other purposes, the shareholders approve and authorise the Directors to:

(a) *ratify the execution of the Farmin Agreement with North River Resources Pty Ltd and to do all things necessary under the Farmin Agreement necessary to complete the transactions contemplated under the Farmin Agreement; and*

(b) *dispose of up to a 51% interest in Exploration Licence 10004 ("Tenement") to North River Resources Pty Ltd, a wholly owned subsidiary of North River Resources plc, in consideration for the expenditure by North River Resources Pty Ltd of up to £2,000,000 on the Tenement.*

Short Explanation: Under the Listing Rules, the Company must seek Shareholder approval to dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. Please refer to the Explanatory Statement for details.

Voting Exclusion: The Company will disregard any votes cast on this resolution by a party to the transaction to acquire the asset and any associates of those persons.

DATED: 4 AUGUST 2006

BY ORDER OF THE BOARD

John Arbuckle
Director

Voting Exclusion Note:

Where a voting exclusion applies, 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.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at Unit 9, 36 Ord Street, West Perth, Western Australia on 8 September 2006 at 9.00am (WST).

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution in the Notice of Meeting.

1. RESOLUTION 1 – APPROVAL TO ENTER INTO FARMIN AGREEMENT

1.1 Summary of the Farmin Agreement

The Company seeks the approval of shareholders to ratify the execution of the Farmin Agreement and the disposal of up to a 51% interest in the Tenement to North River Resources Pty Ltd ("NRR").

NRR is proposed to be a wholly owned subsidiary of North River Resources plc. North River Resources plc intends to have its securities admitted to trading on the Alternative Investment Market of London Stock Exchange plc ("AIM").

Pursuant to ASX Listing Rule 11.4, a listed entity must not, without shareholder approval, dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed. As North River Resources plc is currently undertaking to have its securities admitted to trading on AIM, Segue must seek shareholder approval for the disposal of the interest in the Tenement.

On 25 July 2006 Segue announced that it had entered into the Farmin Agreement with NRR pursuant to which NRR will have the right to earn up to a 51% interest in the Tenement through the expenditure of up to the AUD equivalent of £2,000,000.

The Tenement encompasses the old Coronet Hill copper and silver mining field approximately 60km east of Pine Creek in the Northern Territory, Australia. Mineralisation is widespread along the major Coronet Hill fault with minor production from several veins over a strike length in excess of 4 km. The Coronet Hill area has been subject to extensive exploration since the 1960's.

The proposed farmin is conditional upon:

(a) Segue obtaining all necessary shareholder approvals required under the ASX Listing Rules; and

(b) North River Resources plc completing a raising £650,000 and having its securities admitted to trading on AIM ("Commencement Date").

Under the Farmin Agreement NRR may earn up to a 51% interest in the Tenement in two tranches.

- Initially NRR must spend a minimum of the AUD equivalent of £500,000 within 2 years of the Commencement Date to earn a 20% interest in the Tenement. Of this amount NRR must expend a minimum of the AUD equivalent of £100,000 within 30 days of the Commencement Date on the current work program. At any time after payment of the £100,000, NRR may withdraw from the Farmin Agreement. Upon NRR earning the 20% interest in the Tenement, the parties shall associated in an unincorporated joint venture.

- NRR may increase its ownership of the Tenement from 20% to 51% through the expenditure on the Tenement of a further AUD equivalent of £1,500,000 within 4 years of the anniversary of the Commencement Date.

In summary, NRR must pay the following consideration to Segue by funding work programs associated with the Tenement under the Farmin Agreement to earn up to a 51% interest in the Tenement:

(a) £100,000 within 30 days of the Commencement Date;

(b) A further £400,000 within 2 years of the Commencement Date to earn a 20% interest in the Tenement; and

(c) A further £1,500,000 within 4 years of the Commencement Date to earn a further 31% interest in the Tenement.

If NRR elects to withdraw from the Farmin Agreement prior to earning an interest in the Tenement then the Farmin Agreement shall terminate and be of no further force or effect and the parties shall no have no rights under the Farmin Agreement.

Segue will act as the manager of the joint venture until such time as NRR earns a 51% interest in the Tenement. The Farmin Agreement contains a comprehensive set out of provisions relating to the management and operation of the joint venture.

Segue has warranted to NRR that it is the sole registered holder of the Tenement, that the Tenement is in good standing and the Tenement is not liable for forfeiture.

1.2 ASX Listing Rule 11.4

Pursuant to ASX Listing Rule 11.4, a listed entity must not, without shareholder approval, dispose of a major asset if, at the time of the disposal, it is aware that the person acquiring the asset intends to issue or offer securities with a view to becoming listed.

Segue proposes agreeing to dispose of up to a 51% interest in the Tenement to NRR, following which, North River Resources plc will seek a listing on AIM. Accordingly, Shareholder approval pursuant to ASX Listing Rule 11.4 is required.

1.3 Directors' Interests and Recommendations

Robert Downey is a director of North River Resources plc. Mr Downey declared his interest at the Segue board meeting to resolve to enter into the Farmin Agreement and accordingly he did not participate in the discussion or vote on the resolution.

Likewise Mr Downey declared his interest at the North River Resources plc board meeting to resolve to enter into the Farmin Agreement and accordingly he did not participate in the discussion or vote on the resolution.

After considering all relevant factors, the Directors (other than Robert Downey) recommend the Company's Shareholders vote in favour of Resolution 1 for the following reasons:

(a) after a full and proper assessment of all available information they believe that the proposed transaction is in the best interests of the Company's Shareholders; and

(a) in the opinion of the Directors, the benefits of the proposed transaction outweigh its disadvantages.

1.4 Other Material Information

There is no information material to the making of a decision by a Shareholder in the Company whether or not to approve Resolution 1 (being information that is known to any of the Directors and which has not been previously disclosed to Shareholders in the Company) other than as disclosed in this Explanatory Statement.

GLOSSARY

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited.

Listing Rules or **ASX Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Company and **Segue** means Segue Resources Limited (ACN 112 609 846).

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Farmin Agreement means the Farmin Agreement dated 25 July 2006 between Segue and North River Resources Pty Ltd.

General Meeting means the meeting convened by the Notice.

Notice means the notice of meeting which forms part of this Explanatory Statement.

Resolution means the resolution set out in the Notice.

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

Shareholder means a holder of a Share.

Tenement means Exploration Licence 10004.

WST means Western Standard Time, Perth, Western Australia.

APPOINTMENT OF PROXY
SEGUE RESOURCES LIMITED
ACN 112 609 846

I/We

(Name of shareholder)

Of

(Address)

Being a Member/Members of Segue Resources Limited entitled to attend and vote at the Meeting, hereby appoint

(Name of proxy)

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at 9.00am on 8 September 2006 at Unit 9, 36 Ord Street, West Perth, Western Australia and at any adjournment thereof. If no directions are given, the Chairman will vote in favour of the resolution.

Voting on Business of the General Meeting

		FOR	AGAINST	ABSTAIN
Resolution 1	Approval of Farmin Agreement	☐	☐	☐

In relation to the Resolution, if the Chairman is to be your proxy and you do **not** wish to direct your proxy how to vote on this/these Resolutions, please place a mark in this box. ☐

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the Resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the meeting will not cast your votes on the Resolution and your votes will not be counted in computing the required majority if a poll is called on the Resolution. The Chairman intends to vote in favour of the Resolution.

IF THE CHAIRMAN IS TO BE YOUR PROXY IN RELATION TO THE RESOLUTION YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY IN RELATION TO THE RESOLUTION WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is

Signed this day of 2006

By:

Individuals and joint holders	**Companies (affix common seal if appropriate)**
Signature	Director
Signature	Director/Company Secretary
Signature	Sole Director and Sole Company Secretary

SEGUE RESOURCES LIMITED
ACN 112 609 846

Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.

2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.

3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

   - directors of the company;
   - a director and a company secretary of the company; or
   - for a proprietary company that has a sole director who is also the sole company secretary – that director.

   For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. 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. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

6. To vote by proxy, please complete and sign the proxy form enclosed and:

   (a) send the proxy form by post to Segue Resources Limited, Unit 9, 36 Ord Street, West Perth, Western Australia, 6001; or

   (a) send the proxy form by facsimile to the Company on facsimile number (08) 9322 7577 (International + 61 8 9322 7577),

   so that it is received not later than 9.00 AM WST ON 6 SEPTEMBER 2006.

   Proxy forms received later than this time will be invalid.