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QUARTERLY ACTIVITIES REPORT 30 JUNE 2011

HIGHLIGHTS

- **BCL stream sediment sampling indicates widespread gold at the Quita Gold Project (Dajarra Project) with three main anomalies outlined for further work**
- **A ground magnetic survey shows a promising magnetic anomaly adjacent to the outcropping gossans at the One Mile mining lease (Cockie Project) which is to be drilled in August**

EXPLORATION OVERVIEW

As flagged in the last quarterly report, field work during the quarter was largely directed to the Quita Gold Project (Dajarra Project) and the One Mile mining lease (Cockie Project). In both cases the work has proved encouraging with further activity planned in these areas during the September quarter.

At the Quita Gold Project three areas of gold anomalism were delineated by BCL sampling of streams in the area. Confirmation of gold bearing quartz veins in the area has also come from routine rock-chip sampling of potentially gold bearing outcrops.

At the One Mile mining lease a detailed ground magnetic survey has outlined a magnetic anomaly, adjacent to the outcropping gossans and to a previous intersection of massive sulphides. This anomaly is planned for drill testing in the September quarter.

On the agreement front, Superior and Hapsburg Exploration agreed to cooperate for the purpose of farming-out four tenements in the Undilla area of northwest Queensland as a combined package. This work continues.

Two applications for exploration permits were made during the quarter - one to the south of the Undilla area and one to the northwest of the One Mile area in northeast Queensland. The Wills Creek exploration permit (EPM17012) was granted during the quarter.

Superior's current tenement position, in both northwest and northeast Queensland, is shown in Figures 1 and 2.

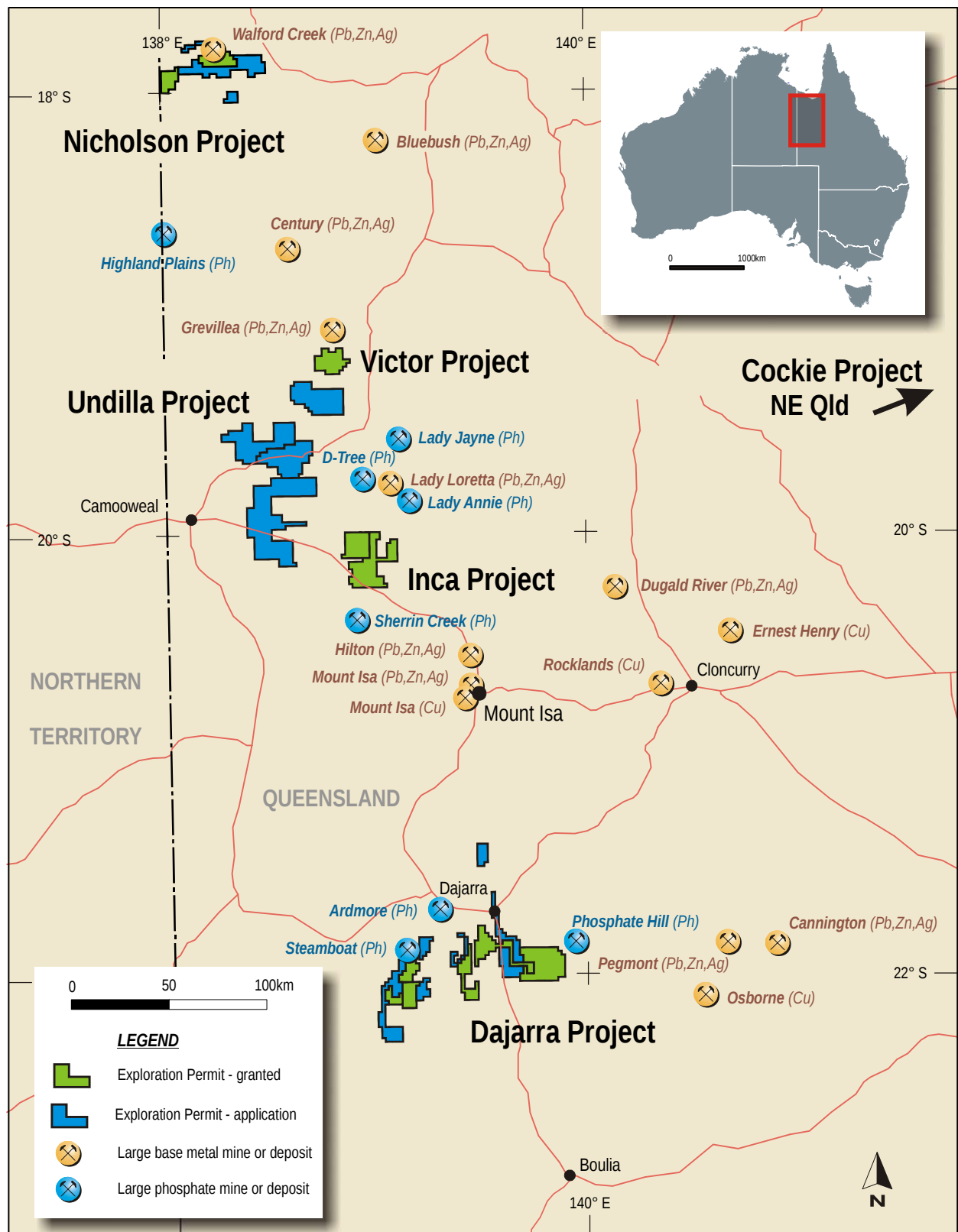


Figure 1. Superior Resources Limited - Northwest Queensland project locations.

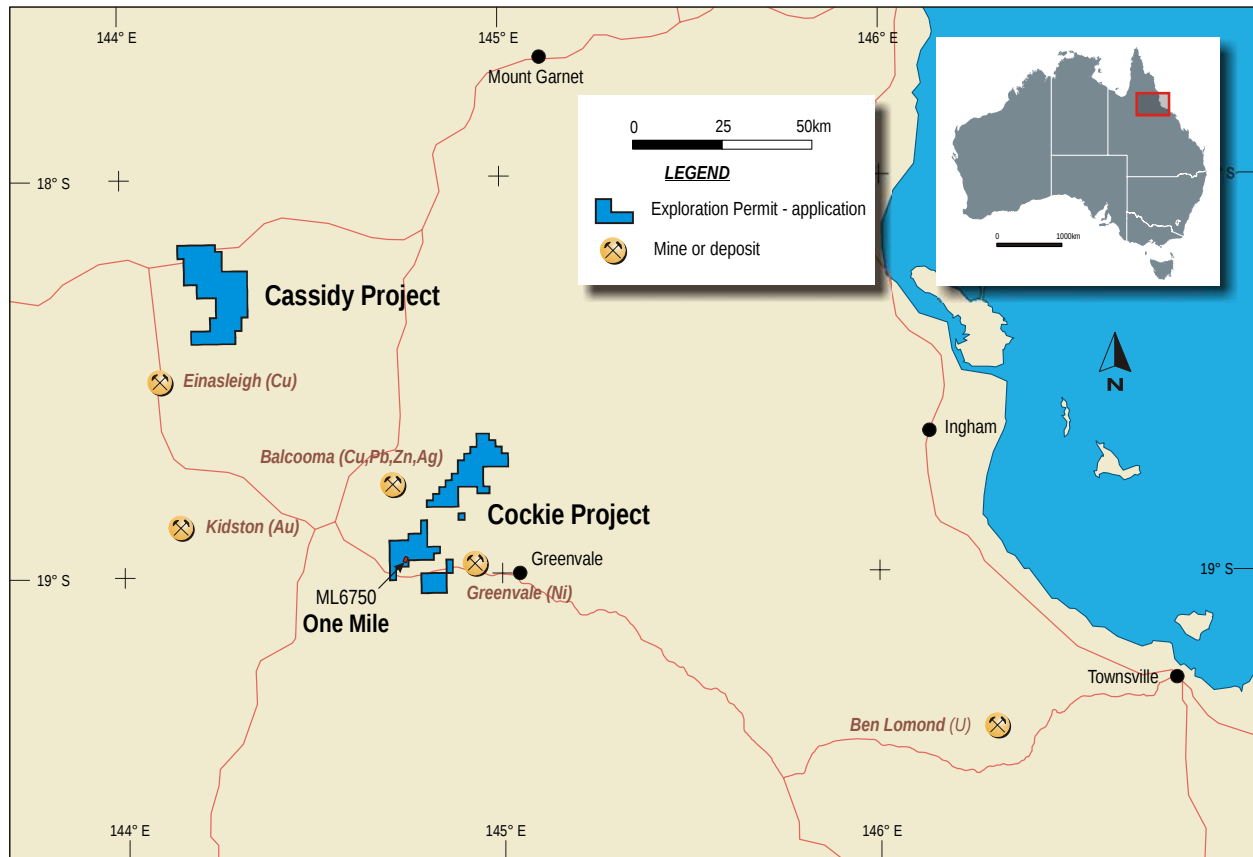


Figure 2. Superior Resources Limited - Northeast Queensland project locations.

EXPLORATION ACTIVITIES

Dajarra Project (northwest Queensland)

The Dajarra Project is situated 150km south of Mount Isa (Figure 3). The principal targets in the area are copper and lead-zinc-silver deposits of the Mount Isa type as well as phosphate and gold deposits. The principal prospects are indicated in Figure 3.

Quita Gold Project

Field work within the Dajarra Project during the quarter focused on the Quita Gold Project in the western part of the Dajarra Project area. Previous sampling by Placer in this area had reported low-level gold values in streams in the Quita area. Only the northeastern corner of this area has previously been subjected to any substantial follow-up work. No old gold workings are known in the area and the gold in the area appears not to have been discovered by early prospectors.

During the quarter, Superior completed geological mapping, bulk cyanide leach (BCL) stream sediment sampling and rock-chip sampling in the area.

The geological mapping indicates that the area is underlain by a sequence of metamorphosed basalts and sediments (largely shales). Cambrian sediments cover the western side of the area and patchy Mesozoic cover sediments exist in some areas (Figure 4).

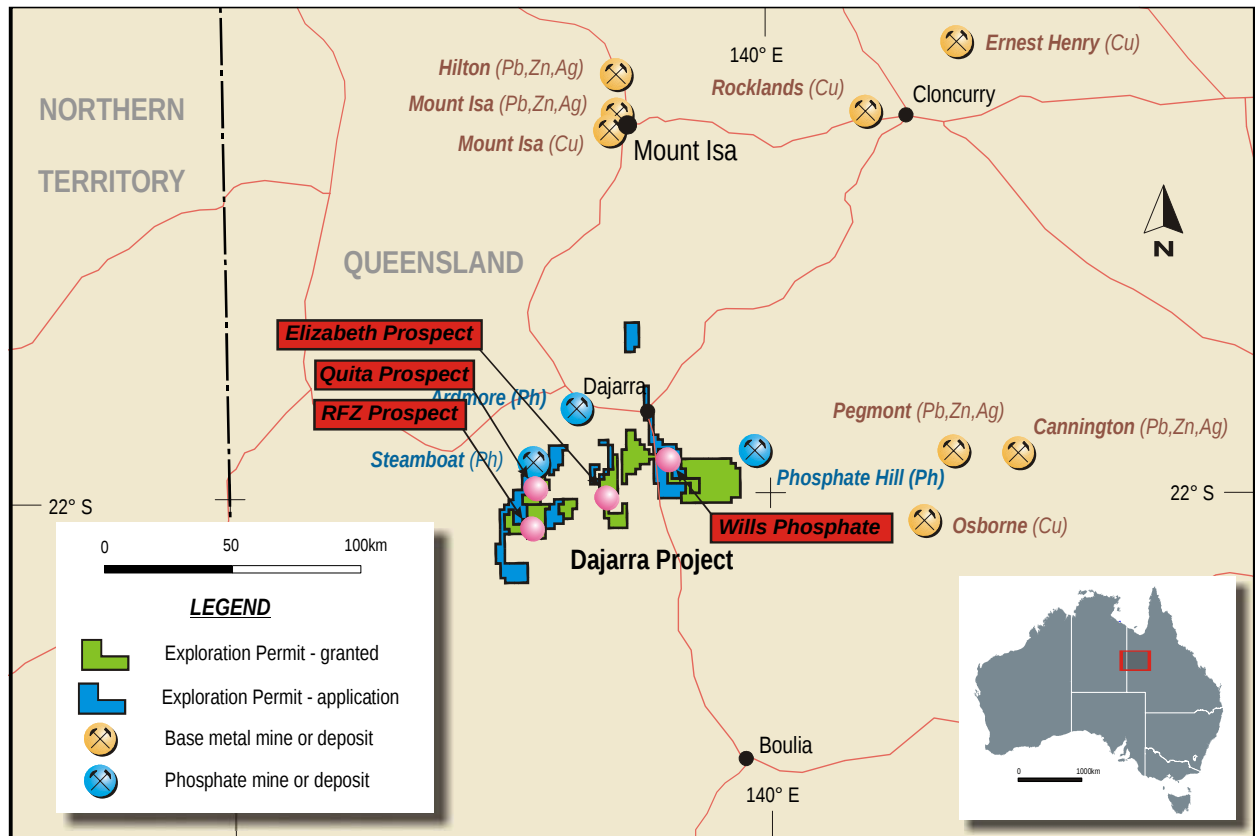


Figure 3. Dajarra Project and principal prospect locations.

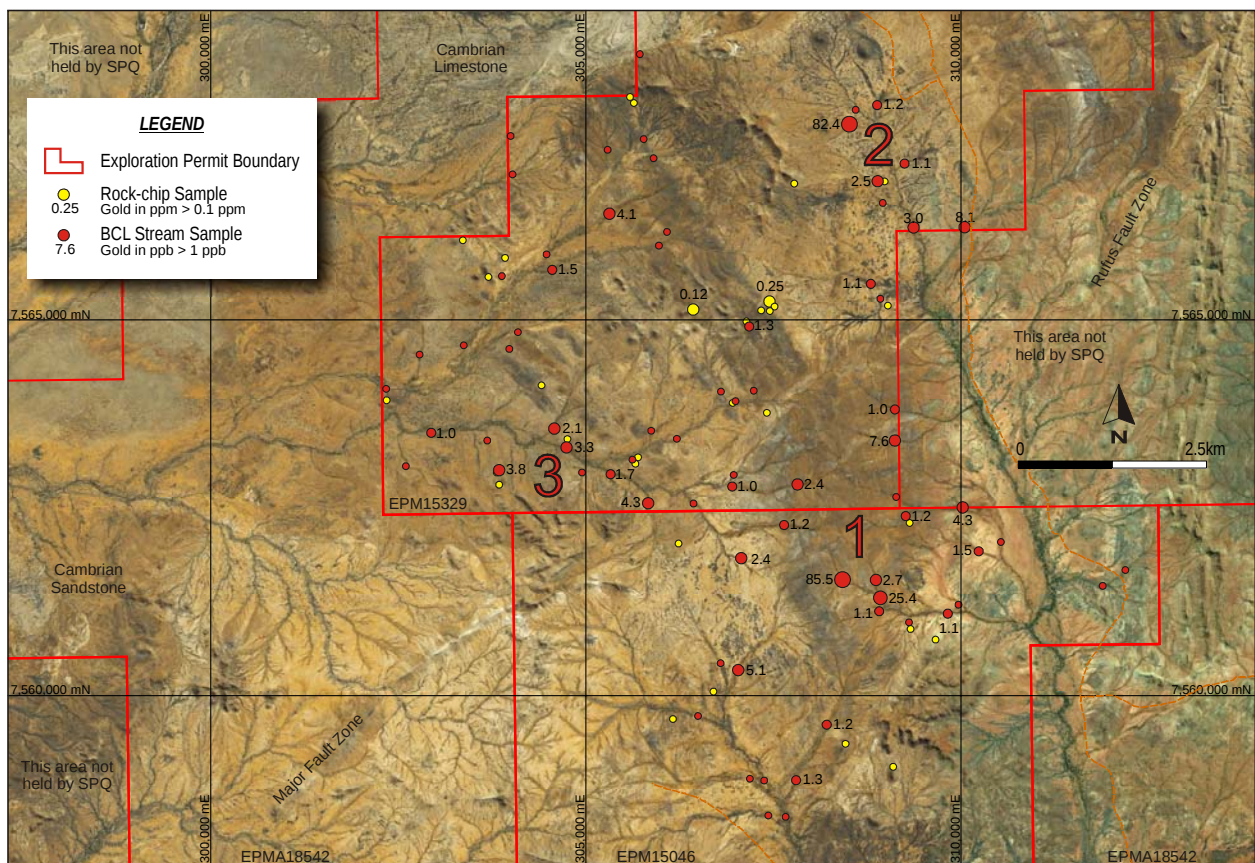


Figure 4. Quita Gold Project – Superior's exploration permits with gold results shown on a Google Earth image The three anomalous gold target areas are indicated.



The BCL stream sampling was undertaken to confirm the earlier sample results from Placer and to provide greater detail to the sampling in anomalous areas. Results from the sampling are very encouraging with three main anomalous areas being outlined for further work (Figure 4). Two of these areas show strongly anomalous gold BCL stream results (85.5 and 82.4 ppb gold).

During the mapping and stream sampling program rock-chip samples were collected on any potentially mineralized outcrops encountered. Two samples of quartz veins taken from the centre of the area showed anomalous gold values of 0.25 and 0.12g/t Au (Figure 4 and Photograph 1). Whilst these values are low they confirm the presence of gold-bearing quartz veins in the area and indicate that the gold is likely to be locally sourced rather than from palaeo-streams related to old land surfaces on the Mesozoic and Cambrian unconformities.

Further limited follow-up sampling has recently been completed by Superior with additional BCL stream sediment samples and rock-chip samples of quartz veins collected to confirm the earlier results. Results have not yet been received for these samples.

A soil sampling program is planned in the September quarter to locate discrete gold anomalies within the relatively large gold-bearing areas indicated by the BCL sample gold results.

Superior holds most of the prospective gold bearing area at Quita.

New gold bearing areas are difficult to find and the results of the work at Quita are encouraging, particularly given the current favourable gold price.



Photograph 1. Quita Gold Project – Gold bearing quartz vein. The single sample taken from this vein during the BCL stream sediment sampling program yielded 0.25g/t Au.



Wills Phosphate

During the quarter the Wills Creek exploration permit (EPM17012), which covers the southeastern part of the Wills phosphate area, was granted. Full coverage of the main area of phosphate potential requires the granting of the Little Sulieman exploration permit also. The timing of this is uncertain.

Cockie Project (northeast Queensland)

The Cockie Project is located 210km north-northwest of Townsville in northeast Queensland (Figure 2). The project consists of a mining lease (ML6750 "One Mile") and a surrounding exploration permit application (EPM 18987). The surrounding exploration permit is in part a competing application with another explorer. Superior was advised by the Queensland Government during the quarter that the other explorer was to be given priority over the competing area. If the other explorer proceeds with its application, Superior will be left with the One Mile mining lease and the tenement area that is not competing.

The One Mile mining lease covers an outcropping gossan horizon (Photograph 2) which is known to be after massive sulphides by previous drilling.



Photograph 2. Cockie Project – Photograph of a creek exposure of the gossan on ML6750 "One Mile" showing the low-grade gold result (0.92 g/t Au) obtained from sampling gossan after interpreted massive sulphides.



Assignment of ML6750 "One Mile" to Superior was completed by the Queensland Government during the quarter. The Queensland Government also approved a Plan of Operations relating to exploration of the mining lease during the quarter allowing exploration to proceed on the area.

The exploration program completed so far includes geological mapping, soil and rock geochemical sampling, a detailed ground magnetic survey and reinterpretation of historical data including previous electromagnetic surveys.

The ground magnetic survey outlined a prospective magnetic anomaly immediately south of the outcropping gossans and the previously reported massive sulphide intersection in a drill hole drilled by MIM in 1990 (Figure 5). This magnetic anomaly is considered a high-priority drilling target.

The results from the ground magnetic survey have been subjected to 3D modelling which indicates that the magnetic source of the magnetic anomaly is a steeply dipping body lying below about 100m depth (Figure 6).

Preparations are currently in progress for a program of drilling to test the magnetic anomaly as well as additional targets including the outcropping gossans. Drilling is expected to commence during August.

Cassidy Project (northeast Queensland)

An exploration permit application was submitted over the Cassidy Creek area some 75km northwest of the Cockie Project area during the quarter (Figure 2).

Previous exploration of this area by CRAE recorded lead bearing gossans with surface lead grades to 12% Pb. Limited drilling by CRAE of these gossans was disappointing with only narrow low-grade lead intersections reported. Once the exploration permit is granted a field appraisal of the potential of the area will be completed with further exploration if this appraisal is favourable.

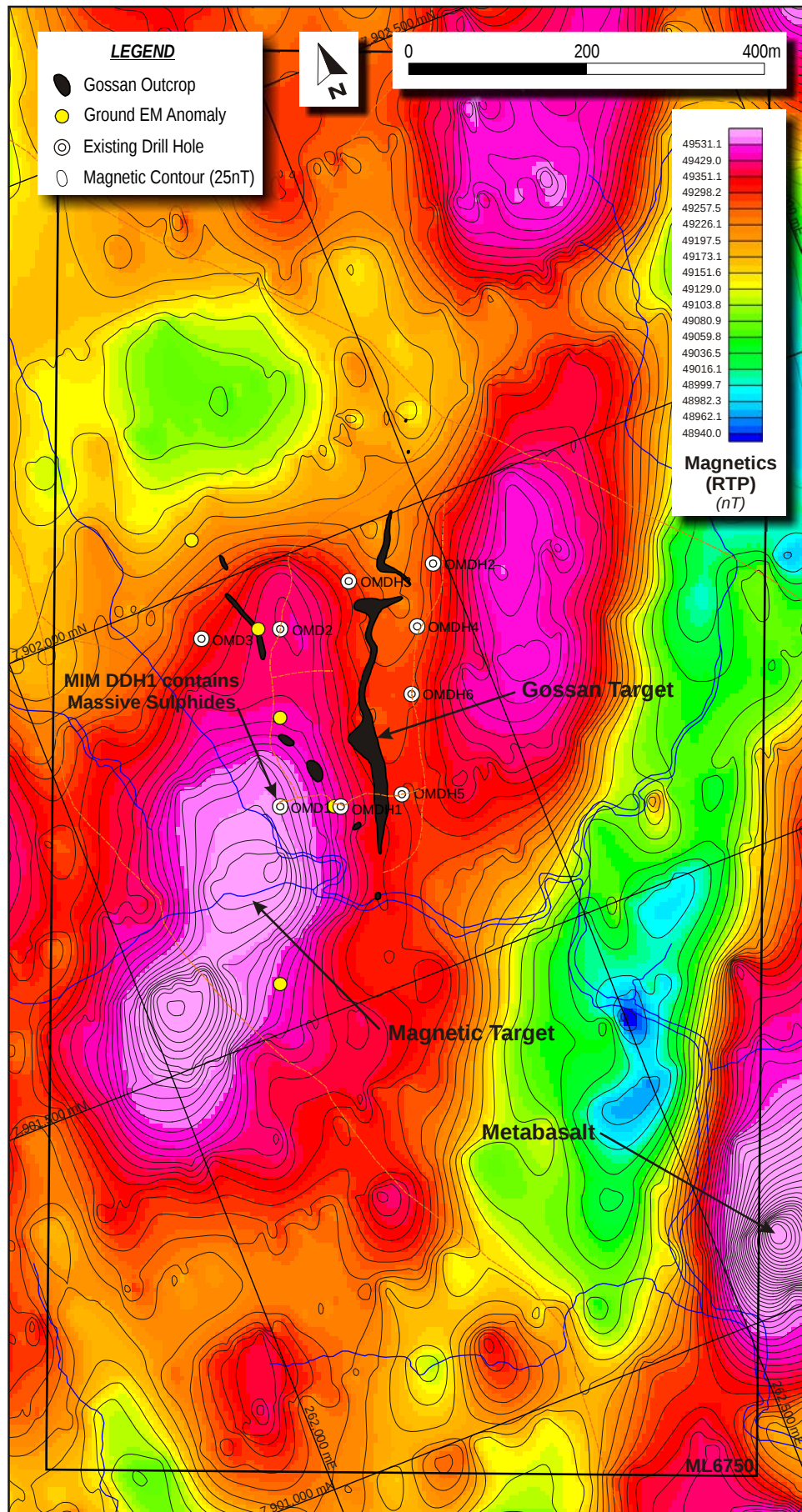


Figure 5. One Mile (ML6750) – Ground magnetics (RTP) image showing the prospective magnetic target outlined by the magnetic survey completed during the quarter.

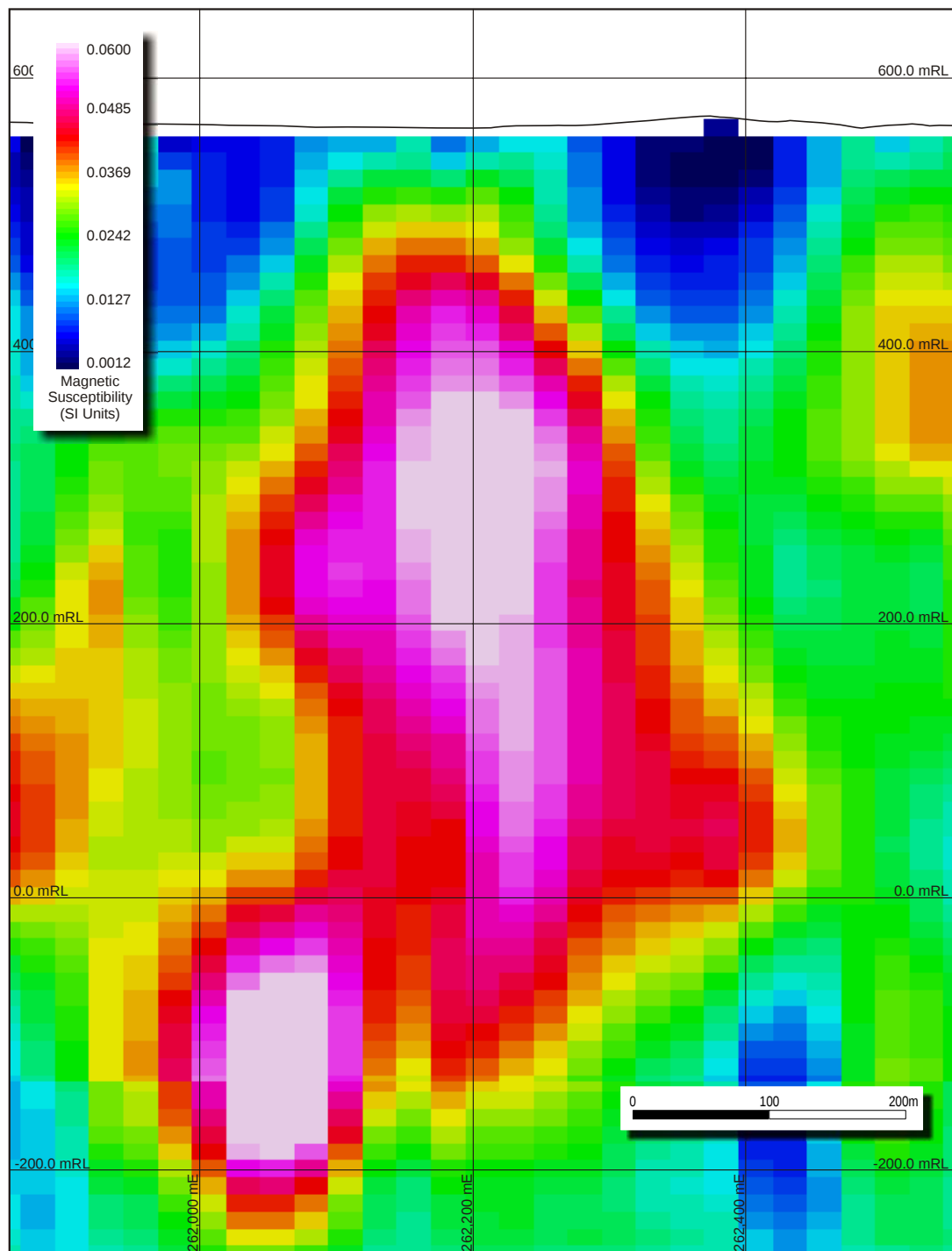


Figure 5. One Mile (ML6750) – Section through the 3D magnetic model on section 7,901,700N showing the interpreted magnetic source of the ground magnetic anomaly. Drilling of this magnetic source is planned to commence in August.



Undilla Base Metal Project (northwest Queensland)

During the quarter, Superior Resources Limited (Superior) and Hapsburg Exploration Pty Ltd (Hapsburg) agreed to cooperate for the purpose of farming-out four tenements in the Undilla area of northwest Queensland as a combined package.

The tenements include exploration permits (EPMs) 16433 and 16436 held by Hapsburg and applications for EPMs 18840 and 19097 held by Superior. The total area of the tenements is in excess of 1200km².

The cooperation agreement has a term of six months.

The project area is located 170km north-northwest of the Mount Isa copper and lead-zinc-silver mines, 80km south of the Century lead-zinc-silver mine and 60km northwest of the Lady Loretta lead-zinc-silver deposit (Figure 1).

The area encloses Cambrian sediments over the highly-prospective Proterozoic rocks which elsewhere contain a number of large lead-zinc-silver and copper deposits in the northwest Queensland area. The project area is considered to have very good potential for lead-zinc-silver deposits as indicated by a series of high-order lead soil and stream geochemical anomalies in compiled previous exploration data collected by previous explorers within the project area. Lead anomalies in streams and soils within the project area extend over an area of about 30km X 30km and the combined stream and soil anomaly compares favourably in size and intensity with the natural lead anomaly at Mount Isa. A number of untested airborne electromagnetic anomalies in surveys completed by previous explorers exist in the area. Drilling has been completed on the area by previous explorers but the amount of drilling is limited and many of the drill holes are shallow.

The two target types within the area are lead-zinc-silver deposits of the Mississippi Valley or Irish type within the Cambrian carbonate sediments and lead-zinc-silver deposits of the Mount Isa style within the Proterozoic rocks that lie below the Cambrian sediments. The Proterozoic rocks may also have potential for copper deposits.

At this stage information has been forwarded to a number of interested parties.

Victor, Inca and Nicholson Projects (northwest Queensland)

No field work was completed on the Victor, Inca and Nicholson projects which are all north of Mount Isa (Figure 6) because of the focus during the quarter on the Quita Gold and One Mile areas and because of the extended wet season particularly north of Mount Isa.

Attempts to resolve the restrictions imposed by the Wild Rivers High-Preservation declaration on the Victor Project continue.

Application for an additional exploration permit (EPM19214) over the area between the Inca and Undilla projects and covering airborne electromagnetic anomalies was made during the quarter.

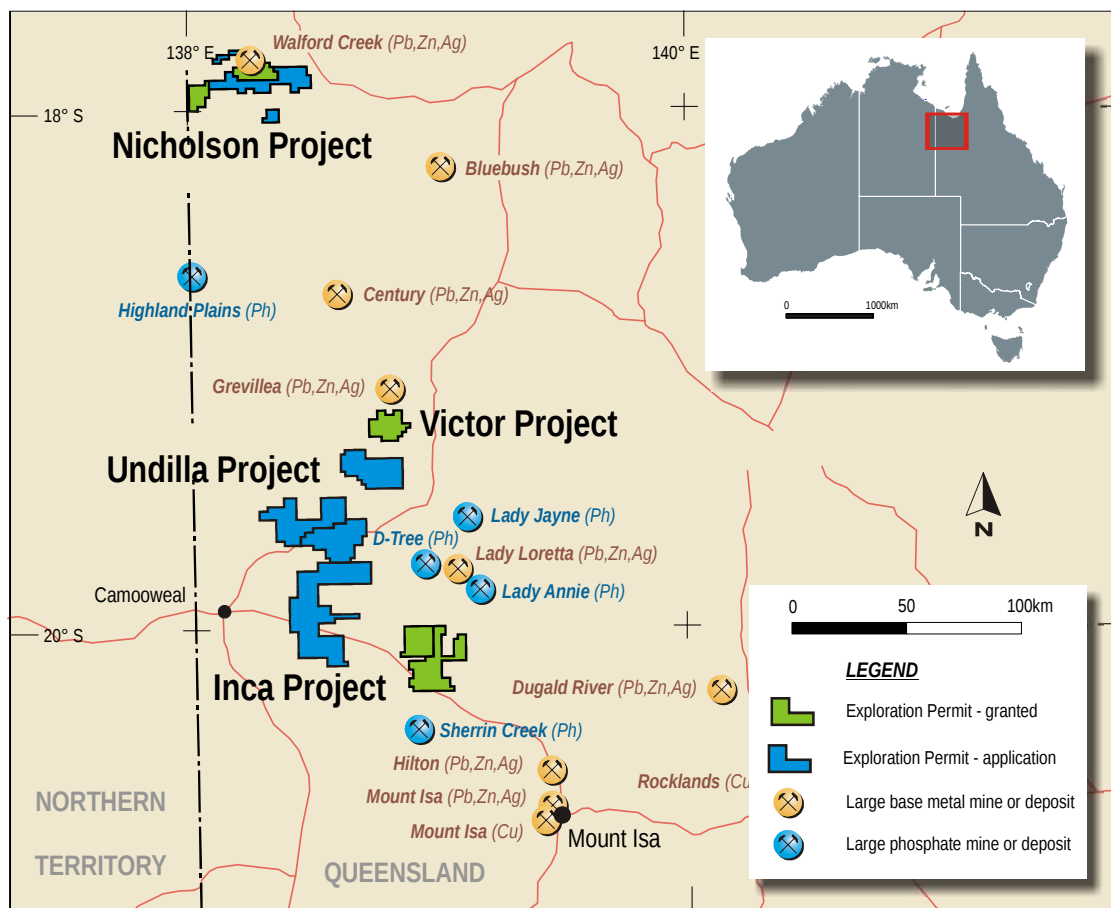


Figure 6. Victor, Inca and Nicholson Project locations.

CORPORATE AND FINANCIAL

In addition to cash of \$2.1 million at the end of the March 2011 quarter, SPQ holds 7 million Deep Yellow Limited shares with a value of \$1.2 million at the ASX closing price of \$0.175 on Wednesday, 27 July 2011. This makes total cash and liquid assets available for exploration of approximately \$3.3 million.

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The information in this report that relates to Exploration Results is based on information compiled by Mr Ken Harvey, a full-time employee of the Company, who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Harvey has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Harvey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.