

SUPERIOR RESUMES CONTROL OF NICHOLSON PROJECT AND GAINS IMMEDIATE ACCESS TO WALFORD CREEK WEST

- **Teck withdraws from the Nicholson Project.**
 - **Superior gains immediate access to high impact targets:**
 - **Cobalt – Walford Creek West Prospect; and**
 - **Lead-Zinc – Nicholson West Prospect.**
 - **Exploration focus to commence immediately on Walford Creek West.**
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Superior Resources Limited (ASX:SPQ) (**Superior** or **Company**) advises that the Company has resumed control of the Nicholson Project tenements in north west Queensland, following notification from Teck Australia Pty Ltd (**Teck**) that it has withdrawn from the Earn-in and Joint Venture Agreement (**Agreement**).

Since entering into the Agreement in November 2015, Teck has spent approximately \$600,000 on exploration comprising mainly audio magneto-telluric (**AMT**) geophysical surveying and modelling work. In order to earn its interest in the project, Teck was required to spend a further \$1.9 million by 31 December 2018.

Teck's work identified prospective sub-basin development along the Nicholson River Fault, which is a major regional structure associated with rock packages that host both the McArthur River Zinc-Lead Mine (Northern Territory) and the Century Zinc Mine (Queensland). Modelling of the AMT data identified a conductive anomaly at a depth of between 200 and 500 metres and within rocks interpreted to be hosted by the same geological package as which hosts the Century Zinc Mine (Figure 1).

Both Teck and Superior consider that the AMT anomaly remains worthy of follow-up by a program of deep drilling.

Nicholson Project High Priority Targets

Superior has for some time, engaged in discussions with Teck regarding Superior's access to at least two high potential targets located within the Nicholson Project tenements:

- **Walford Creek West Prospect** – Cobalt-Copper and Lead-Zinc; and
- **Nicholson West Prospect** – Lead Zinc.

With Teck's withdrawal and consequent termination of the Agreement, Superior now intends to focus significant and immediate exploration attention to the highly attractive cobalt and lead-zinc prospects within the Nicholson Project.

This work will be in addition to the current drilling program that is planned to commence shortly at the Company's Lucky Creek Cobalt Prospect in north east Queensland.

Walford Creek West

The Walford Creek mineralised system, localised along the Fish River Fault (**FRF**), has received considerable recent attention from neighbouring explorers (Aeon Metals Limited (ASX:AML) (**AML**) and Traka Resources Limited (ASX:TKL) (**TKL**)).

In particular, AML hold the Walford Creek copper-cobalt deposit (15.7MT @ 1.24% Copper, 0.15% Cobalt and 18.0MT @ 0.11% Cobalt) and have recently announced a 30,000 metre drilling program (AML ASX



announcement: 29 March 2018), of which, 10,000 metres will be applied to extensional drilling westwards from the deposit, along the FRF.

Superior's Walford Creek West Prospect is centred along the FRF adjoining AML's Walford Creek Project (Figure 1). Recent announcements by AML indicated successful drilling of the FRF as close as 3.6 kms from Superior's Walford Creek West Prospect, which returned visible chalcopyrite (copper), sphalerite (zinc) and textures indicative of cobaltiferous pyrite (cobalt) (AML ASX announcement: 3 May 2018).

The Company will immediately commence compilation of data, preliminary field inspections and planning of an exploration program, which the Company intends to complete by the end of the 2018 field season.

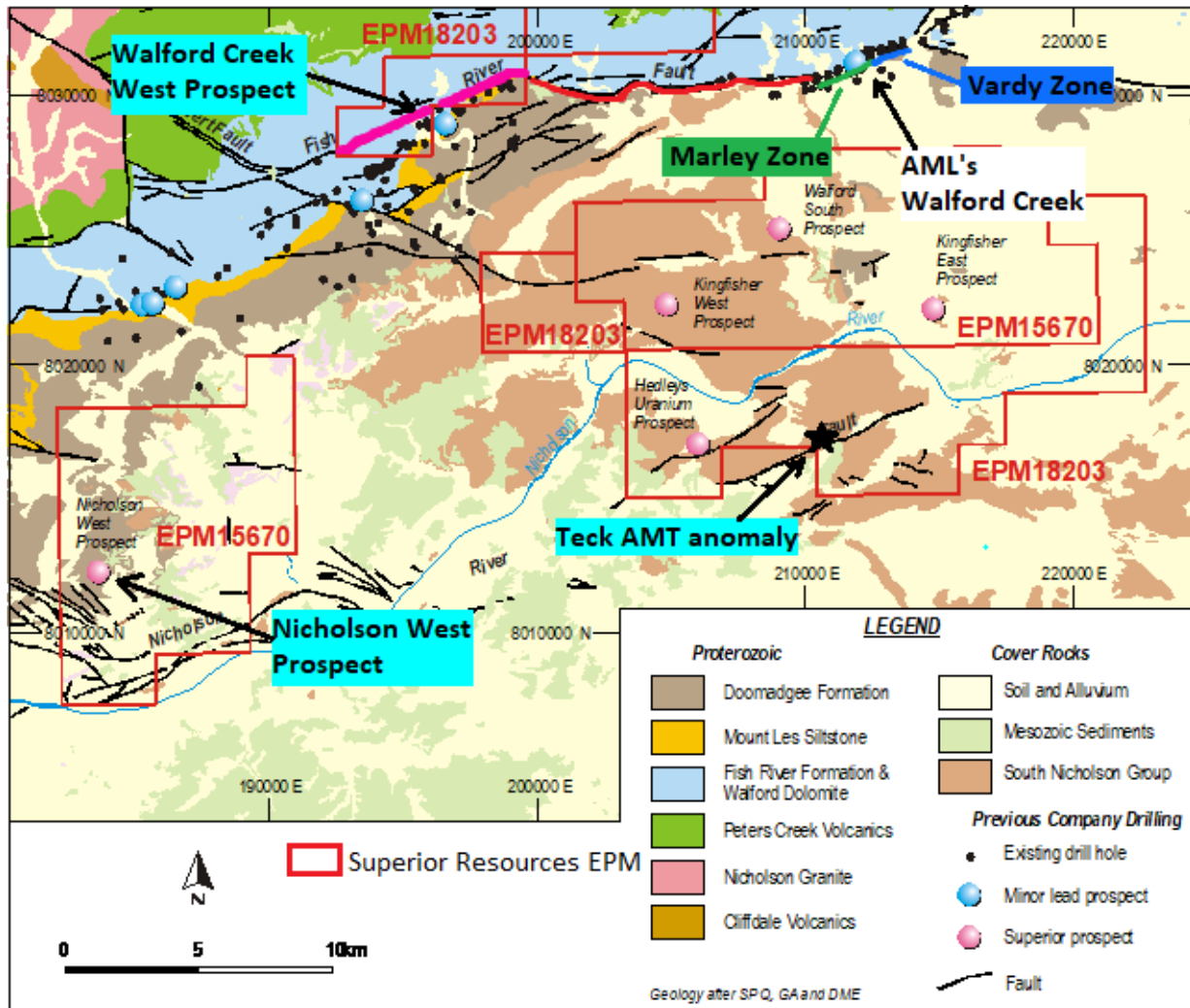


Figure 1. Superior's Nicholson Project tenements overlaid on regional geology showing an important section of the Fish River Fault within the Company's Walford Creek West Prospect as well as the Nicholson West Prospect.

Superior's Managing Director, Peter Hwang commented: "Whilst we would have welcomed the further expenditure of \$1.9 million by Teck on the AMT anomaly, we are grateful that Teck acted with consideration to Superior's future plans for the Nicholson Project. With the separation of the partnership, we are particularly excited to introduce the Walford Creek West prospect to our Battery Metals portfolio. The ability to commence work on the Fish River Fault represents a very significant boost to the Company's cobalt and copper asset profile. We now have the ability to access ground geologically related and adjacent to two of Australia's most advanced cobalt projects – Australian Mines' SCONI Project near Greenvale in north east Queensland and AML's Walford Creek Project.

With the substantial market focus on cobalt, we remind shareholders of the high priority Tier 1 Nicholson West lead-zinc Project, which has also become accessible for the Company and which we intend to conduct a first-phase drilling program in 2018, subject to funding. We will be updating the market with further information regarding the Walford Creek West and Nicholson West Projects shortly."



About the Nicholson Project:

The Nicholson Project, along with the Company's Victor Project, are "Tier 1" zinc-lead exploration projects, which provide the Company with an industry-leading opportunity to discover world-class Mount Isa Style Zinc-Lead-Copper and Cobalt deposits. The projects are located in the Carpentaria Zinc Province, which contains 20% of the world's zinc resource inventory (Figure 2). In contrast to the regions surrounding Mount Isa, the Nicholson and Victor Projects are relatively unexplored.

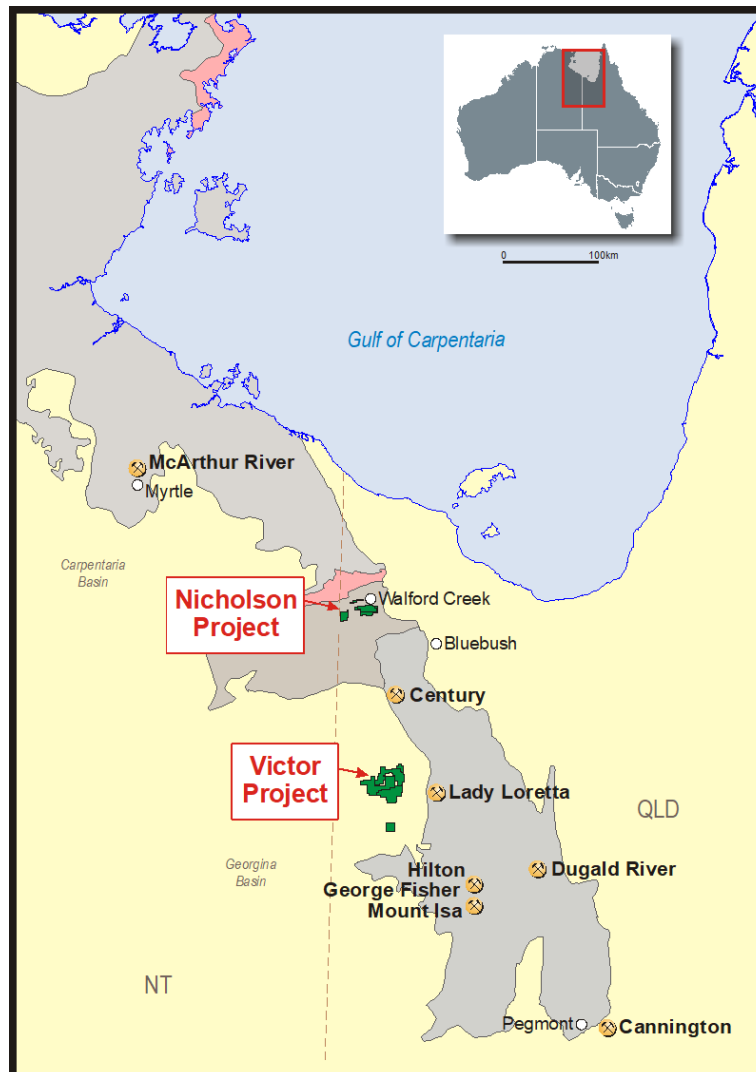


Figure 2. The Carpentaria Zinc Province

For more information:

Peter Hwang
Managing Director
Tel: +61 7 3847 2887

www.superiorresources.com.au
manager@superiorresources.com.au

Carlos Fernicola
Chairman
+61 7 3229 1799

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